New Position of Beauharnois

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

CANADIAN MINING NEWS DEPARTMENT ON PAGE 16

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The Nation's Business

Gen. McRae's Proposal on Radium
Needs Further Investigation
Starting Point for Imperial Conference Negotiations

What is Back of McRae Proposal?

THE Vergilian bromide about fearing the Greeks when they come bearing gifts applies with some force to the plan of Gen A. D. McRae to have the radium-bearing ores of Great Bear Lake made a government monopoly for the benefit of the poor and suffering. If Canada sincerely wishes to break the Belgian trust and bring down the cost of such a magnificent servant of mankind as radium it would seem that the best way to accomplish it would be to provide for the largest measure of competition and development in the extraction and handling of these radium ores so that the flooding of the market with the increased supplies would bring down the price. But apart from that, the proposal of Gen. McRae is one that will bear somewhat closer scrutiny than it has had.

Gen. McRae happens to be an important party organizer which does not seem to bear any relation to his offer. But he is also a mining promoter on no mean scale and while his speech in the Senate gives no clue to any personal interest he may or may not have in Great Bear Lake, there are historical facts that indicate that there may be more to the proposal than meets the eye.

* * *

A SCANT few years ago Canada went through the most distressing experience of a mining stock boom and the subsequent collapse, in the midst of which many fortunes, large and small, were swept away and not a few individuals, some of them the reputed tools of more influential and highly placed persons, went to the penitentiary for their share in the collossal robbing of the investing and speculating public. There were many good and many bad companies organized during that period.

One of the group of companies that placed millions of shares with the people of Canada was that group that embraced the so-called Lindsley enterprises, including Sherritt-Gordon, Ventures, Falconbridge, Dominion Explorers, etc. This same group also invested a large amount of money in mining enterprises but the investments made in actual properties and the results achieved were comparatively puny beside the enormous sums that the general public lost purchasing shares of the companies, which may have been the fault of the general public and maybe was not.

How largely Gen. McRae fitted into the Lindsley group picture can not be told with any degree of accuracy except that he was a director of one of the most important of the companies. At the present time one of the Lindsley companies is very active in the Great Bear Lake area. This is Dominion Explorers, which has managed to get on the front page of the newspapers of Canada on more than one occasion. There was the time when Col. McAlpine, its chief sponsor, was lost in the Arctic after an aeroplane trip scouting for mineral lands. There was the time, too, that it endeavored to get from the Dominion government exclusive mineral rights to an enormous area west of Hudson Bay, a "grab" that was nipped in the bud.

* * *

NOW, when one who has been rather closely connected with this group of companies makes a suggestion of the character of the one Gen. McRae has made, the public is entitled to ask what does it really mean. Gen. McRae can hardly have been unaware that there has been a persistent effort to turn the legitimate mining operations at Great Bear Lake into the foundation for another speculative boom which would permit millions of dollars of shares to be unloaded on the public. He is astute enough surely to realize that his speech in the Senate, with its very rosy figures on ore values, was just the sort of material the stock jobbers could use to very good effect in their preying on the public.

Of course, the suspicion might be raised that the Great Bear Lake boom has proved a flop and some of those holding claims from the Dominion government might be glad to sell them back to the Dominion government at a huge profit and thus make the expensive effort of prospecting, promotion and stock selling unnecessary.

In any event Gen. McRae, because of his recent connection with

(Continued on page 2, col. 3)

FRASER COS. FACE PROBLEM JULY 1 NEXT

Expect Paper Producer Unable to Meet Obligations

WILL REORGANIZE

Would Need Over $8,000,000 in Cash to Take Care of Maturing Liabilities

From Our Own Correspondent

MONTREAL.—Holders of Fraser Companies' securities will be asked to consider a plan of reorganization, declare a moratorium or accept some other form of compromise in order to relieve the company of financial obligations maturing on July 1 next and which, it is understood, it will not be able to meet.

On that date the company will be faced with the necessity of finding over $8,000,000 in cash in order to take care of interest charges and maturing obligations. This does not take into account current liabilities, which, on December 31, 1930, included $4,720,000 of bank loans.

Senior Interest Doubtful

The Financial Post is given to understand that interest on some $8,203,000 of first mortgage bonds, amounting to $492,120, will not be paid when due on July 1.

In addition there is the interest of $210,000 on the three-year notes to meet on the same day, as well as the principal amounting to $3,500,000. These charges are payable in New York funds.

A further obligation of $4,000,000 matures on July 1. This sum represents advances made by a banking group to the company when it got into difficulties a year or so ago.

There are also the bank loans and current liabilities to be taken care of. The amount of such charges presently outstanding is unknown as no financial statement has been issued by the company since 1930.

Working on Plans

It has been apparent for some time that Fraser Cos. would have to undergo some form of reorganization. Also it is understood that conversations have been held by interested parties, but that to date no definite plan has been agreed upon.

It will be recalled that in 1928 the company undertook an extensive programme of development, including additional mill installations, etc., the whole involving an outlay of several millions of dollars.

Many Difficulties Arise

Before this work was completed the paper market broke, while conditions in the lumber market went from bad to worse. The result was that the company had excessively large inventories of high-cost lumber and paper, while large sums of capital were tide up in plant and machinery, which were unproductive.

The 1929 income statement clearly reflected the unfortunate position of the company. After taking care of depreciation, depletion and interest charges, there was a deficit of $711,097 as compared with a surplus of $434,632 in the previous year.

The management had made heavy capital outlays in that year and publicly financed to the extent of $3,500,000 of three-year notes. In December of that year it was found necessary to pass the dividend on the common stock, pay-

(Continued on page 2, col. 6)

Canada Setting Up Permanent Secretariat For Empire Conference

Prime Minister Heads Cabinet Committee Which Will Work Directly Through Dr. Skelton, Under Secretary of State For External Affairs

SUB-COMMITTEES NOW UNDER WAY

Four Bodies Will Handle Canadian Arrangements and Prepare Dominion's Brief—Important Document Covering British Viewpoint Already Received By Ottawa

By Staff Editor

OTTAWA.—Final touches on a permanent secretariat which will devote full-time energies to furthering Canada's interests in the forthcoming Imperial Conference are now under way here, The Financial Post learns. Preparatory work has been done already, of course, but only a few days ago did Prime Minister Bennett give his final approval to the set-up now being completed, and through which the voice of the Canadian people will be interpreted to the British Empire, next July.

Briefly, Canada's Imperial Conference machinery will be headed by a sub-committee of the cabinet of which Prime Minister Bennett is chairman. This committee will act through a general preparatory committee in charge of Dr. O. D. Skelton, Under-Secretary of State for External Affairs. Subsequently this committee will be divided into four main groups, each responsible for one phase of preparation and programme.

It is expected that formal announcement of this plan will be made by Mr. Bennett shortly when he discusses in the House of Commons the federal grant of $250,000 which Canada is making toward the cost of the conference.

In all probability no official announcement will be made from Ottawa as to the personnel of these committees. This would be in line with the British plan of maintaining an official veil of secrecy in regard to such matters. It is understood, however that the committees named will include a general economic committee, a tariff committee, a staff and administration committee, and an entertainment committee.

From unofficial sources The Financial Post learns that many prominent Canadian economists and experts will be included in these committees including men like Professor W. C. Clark of Queen's University, Professor Hubert Kemp, of Toronto University, and so forth. From Ottawa the services of Dr. R. H. Coats, Dominion Statistician; R. W. Breadner, Commissioner of Customs and Hector MacKinnon, former secretary of the tariff board, and many other leading officials will probably be enlisted

Already permanent offices have been arranged, for at least one of these committees and full-time secretaries appointed who will be responsible for bringing these important bodies into action. In addition to collecting information from all parts of Canada and from all shades of industrial and financial opinion these committees will have available a considerable amount of data already collected or in course of preparation by the Dominion Bureau of Statistics. Data contained in the surveys now being made by the Canadian Manufacturers' Association and the Canadian Chamber of Commerce and other official bodies, will also be collated by these official committees.

Plan Vast Docket System

The work to be done by each of these committees is more or less obvious. The tariff committee will face the responsibility of sifting masses of data and opinion so that when the conference meets in July there will be a docket for every item of merchandise in the Canadian customs tariff, and about which there is likely to be any discussion. The plan as The Financial Post understands it is that complete statistics on the Canadian and intra-empire trade of every item will be brought to a focus in each case and that in addition each of these individual "dockets" will contain as complete a picture as possible of the views and opinions of the various interested bodies. If this objective can be achieved, it should materially assist the Canadian delegation in its deliberations.

And incidentally, Canadian officials in charge of the conference, resent the implications to the effect that Canada will not be well prepared for the conference. They believe the organization which has now been set up, together with the work actually done or underway, will give Canada perhaps the best-prepared delegation in the Empire.

One distinct advantage which Canada has is that her statistical bureau is probably the best-equipped in the Empire in that data from all branches of industry are collated under one central authority which makes available comparative figures for all sources. In Great Britain, for instance, although individual departments such as the Board of Trade are well equipped, each department is operated separately and therefore strictly comparative data is difficult to obtain.

The general economic committee will, of course, be one of the most important bodies and will be responsible for preparation of all materia on such subjects as the whea quota. It will probably be responsible also for subjects such as Empire currency, although a separate sub-committee may be created fo this and other financial matters.

Agenda Not Yet Ready

As to the agenda itself, this has not finally been decided upon but it is expected that it will be available for publication in a few weeks time. It is understood that Canada has submitted a suggested agenda for consideration to the several Empire countries and as soon as replies are received a final draft can be prepared.

One very important document which has already been received by the Canadian government in regard to the conference is a memoranda prepared by the British Government and which sets forth a tentative picture of the British position in regard to the conference. It is understood to contain the following highly important considerations:

1. That some new arrangements be made by Canada to eliminate the present situation whereby the Canadian tariff can be changed arbitrarily by order-in-council.

2. That some protection be afforded Great Britain against the placing of embargoes and petty hindrances in the way of British and Empire trade as is said to have been the case for some time.

3. That definite preferences be accorded Britain with assurance of a market in certain important fields such as textiles, iron and steel, electrical machinery, leather goods and porcelain.

4. The memorandum also contains a list of some 200 items which it is believed can be marketed advantageously in Canada and these items are now under consideration by official bodies such as the Canadian Manufacturers' Association.

Vickers' 1931 Earnings On Satisfactory Scale

On Smaller Volume of Business Cover All Senior Charges and Leave Balance Available for Capital Stock

From Our Own Correspondent

MONTREAL.—Financial statement of Canadian Vickers Ltd. for the fiscal year February 29, 1932, will be made public shortly and is expected to show that on about one-third of the business transacted in the previous year, earnings were sufficient to take care of depreciation charges, bond interest and leave a small balance applicable to the preferred stock.

Although this showing is not as good as that reported for 1930-31, the results are regarded as very satisfactory considering the drop in the dollar value of business. In the preceding year net earnings amounted to $637,070. This was sufficient to cover depreciation, bond interest, a reserve of $92,000 for contingencies, inventories and doubtful accounts, and leave a balance of $187,028 available for the capital stock. This was equivalent to $9.35 a share on the preferred and 22 cents a share on the common after deducting arrears of dividends on the preferred stock.

No Dividend Yet

It is anticipated that surplus earnings for the past year will go toward reducing the profit and loss account deficit shown on February 28, 1931, at $143,807. This item stood at $343,886 at the close of the previous year.

Until this deficit is wiped out there is little possibility of the management placing the preferred stock on a dividend basis. This stock is now in arrears since February, 1930, cumulative charges amounting to $15.75 a share, or $315,000 on the $2,000,000 par value of stock outstanding.

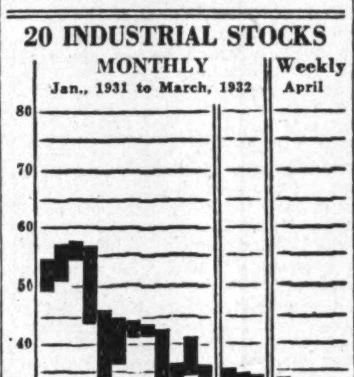
The 1932 statement will show a further improvement in the balance sheet position of the company. Current liabilities have been kept well in hand and will amount to little more than "accounts payable." It will be recalled that a bank loan of $750,000, shown in the 1930 report, was wiped out in 1931. The statement for the year just passed may show borrowings from the banks, but the amount will likely be negligible.

There will be a further reduction in the funded debt of the company which stood at $2,678,000 at the end of February, 1931. The sinking fund on this issue became operative in August, 1930, and in the first year $72,000 of bonds were called in.

Canadian Vickers started the past year with uncompleted orders totalling in value $2,247,000. The amount of such business on hand at the beginning of the current year was relatively small. But in the last month and a half nearly $200,000 of new business has been secured, while there is a fair volume of prospective business in sight.

Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

Industrial Stocks	High	Low
Week of Apr. 19	27.7	25.7
Week of Apr. 12	29.4	26.4
Month of April, 1931	55.7	42.6
8 Bank Stocks		
Week of Apr. 19	204	204
Week of Apr. 12	204	204
Month of April, 1931	248	241
10 Public Utilities		
Week of Apr. 19	49	47
Week of Apr. 12	50	47
Month of April, 1931	85	76

IMPERIAL OIL MAY FINANCE NEWFOUNDL'D

British Treasury Expert Suggests Gasoline Monopoly in Return

BOARD RELUCTANT

Does Not Like Monopoly Idea But Desires Security for Loan—Other Companies Approached

In order to meet pressing obligations of the Newfoundland Government, Sir Percy Thompson, who was really lent to the Colony by the British Treasury, to help them out of the present financial muddle, has turned for aid to such large companies operating in Newfoundland as Imperial Oil, American Smelting & Refining Co., and the International Power & Paper Co. His proposal to Imperial Oil is that the latter company should underwrite $1,750,000, and that in return for this service the company should be given a monopoly in the sale of gasoline and other oil products in Newfoundland.

It is understood that the company has been rather unwilling to enter into negotiations for a monopoly in the belief that such measures are not likely to prove popular on this side of the Atlantic, but equally under the circumstances it is reluctant to buy the Newfoundland bonds without some good security. The company may accept in the end as the alternative suggested previously was to make a state monopoly of the business and issue bonds against it. That is regarded as even more serious a departure from what have so far been regarded as sound policies of doing business.

It is understood that Newfoundland had great difficulty in meeting interest on January 1 last, and as there are maturing obligations of $2,500,000 on July 1 next, the services of Sir Percy Thompson were secured. The latter was faced with a situation where the only outlet seemed to be through the large companies mentioned. In the case of Imperial Oil it is proposed to pay back the amount loaned by the company by means of royalties on the sale of gasoline on a gallonage basis. A special fund would be created under three trustees to receive these royalties and to apply them to interest payments and the amortization of the loan.

Negotiations are still continuing. R. W. Magor has been representing Newfoundland in negotiations to date. The other companies asked to participate might be repaid by higher import duties or by other means not yet decided on.

Two Years of Hard Times

The present impasse results from the fact that in 1931 the country was not able to sell an external loan of $8,000,000. It had budgeted for more than $11,000,000 and had received, mainly from customs revenue, less than $10,000,000 while expenditures shot up to $13,000,000. Heavy payments for relief accounted for a deficit of $3,800,000. Sir Percy Thompson has helping him, R. J. Magor, of Montreal, and J. H. Penson, a young lawyer from the British treasury office.

The population of Newfoundland at the end of 1931 was 281,549 and a deficit of $3,000,000 therefore is more than $10 on every man, woman and child in the province. Proposed taxes have so far in some cases met intense opposition from certain sections of the population.

A small codfishery return in 1931, amounting to $3,500,000 as against a usual return of $6,000,000 or $7,000,000, made matters worse. Recently prices have been improving and it is believed that results may be quite good in 1932. That cannot be known until August or September and in the meantime less fishermen are in a position to go out to the fishing grounds.

Low prices for base metals and lower demand for iron have affected their situation as well. Newfoundland has rich resources in this way but the drop in commodity prices for more than two years has prevented it getting best results from this. The great iron mines of Bell Island also depend on the activity of steel markets, and they are at a minimum.

Average daily production of Peruvian wells of International Petroleum dropped to 16,559 bbls. in March, the lowest point in over a year, but total production for the company for the month was higher than in February due to stepping up of Colombian production to 53,829 bbls., the highest daily average since March, 1931. The combined daily average from Peruvian and Colombian wells was 70,338 bbls. as compared with 87,374 bbls. in March, 1931, when Peruvian production was increased to offset partial shut down in February of that year.

Complete production figures for January and February show production in Peru above the corresponding period of 1931, this increase is more than offset by the decline in Colombian production. February production figures in both fields and accumulative figures for the first two months of 1932 and 1931 are as follows:

February	1932	1931
Peru:		
No. of wells completed	1	4
Av. initial prod., bbls.	untested	130
Total crude prod., bbls.	581,250	465,953
Colombia:		
No. of wells completed	....	4
Av. initial prod., bbls.	....	480
Total crude prod., bbls.	1,401,769	1,565,425
2 Mos. Ended Feb. 29		
Peru:		
No. of wells completed	2	11
Av. initial prod., bbls.	37	369
Total crude prod., bbls.	1,329,675	1,244,393
Colombia:		
No. of wells completed	1	10
Av. initial prod., bbls.	855	503
Total crude prod., bbls.	2,935,813	3,228,126

Highlights of the Week

Happenings That Make News for This Issue of The Financial Post

Beauharnois

The prime minister's statement leaves many questions unanswered. There are still problems ahead and they, along with possible solutions, are discussed in a special article on page 1.

Investment Trusts

A third article in the series showing what Canada can learn from the experience of British investment trusts. Page 9.

Bigger, Better Trucks

This year's commercial car models detailed in three special pages. Makers now adapt trucks to exact needs of company buying them. New regulations standardize truck operations. Page 10.

From Down Under

Australia will send Bruce and Latham to the Imperial Conference. John A. Stevenson tells who they are and what they have done. Page 3.

Canada Gets Ready

Ottawa is saying little about its plans of preparation for the Imperial Conference but a résumé of what is going on is to be found on page 1.

Nationalize Radium

Senator McRae's proposal to put Great Bear Lake radium under governmental monopoly is critically discussed in the mining department, page 16, and in "The Nation's Business," page 1.

Say Premier Bennett Will Back Bank Loans For Beauharnois Work

He Ignores This Point in Speech But Montreal Hears He Will Continue Guarantees—Work Must Continue to Complete First Units by October 1

OTHERWISE BIG CONTRACTS CANCELLED

Where are the current funds coming from to continue operations on the Beauharnois Power Corporation project so that on October 1, 1932, 200,000 horsepower will be ready to deliver to Montreal Light, Heat & Power Co., and to the Ontario Hydro-Electric Power Commission?

To reach that objective of 200,000 horsepower on October 1, 1932, is of the utmost importance to the banks which lent the company $6,495,000 on the security of $9,742,000 of first mortgage bonds of Beauharnois Light, Heat & Power Co. and a further $7,951,500, on the security of $15,903,000 first mortgage bonds after getting the guarantee of the Dominion Government, and to the holders of $30,000,000 of 6 per cent collateral trust gold bonds.

Failure to be ready with 200,000 horsepower on that date would automatically relieve the Montreal Light, Heat & Power Co. and the Ontario Commission of their obligations under the contract to take power from Beauharnois Power Corp., and the latter company is in no advantageous position at present to go out into the open market with such a volume of power.

Does Not Aid Bondholders

Premier Bennett's statement in the House of Commons on Monday, April 18, is not explicit on this most important point of where the current funds are to come from. Bankers in Toronto had received no word this week but Montreal interests state that the government will continue the guarantees until a reorganization plan can be worked out.

But while Mr. Bennett, in his one hour address entirely overlooked this most important of all points his speech did make plain three things: one that the holders of 6 per cent collateral trust gold bonds due 1959 need expect no guarantee of interest payments, that Premier Bennett considers his duty to them done in protecting their rights under the trust deed; and third, his advice to them to take over the company's operations under a receivership when technical default is completed on July 1, three months after failure to meet interest payment on April 1, 1932.

Can Take Over Enterprise

There is no doubt that the 6 per cent bondholders can take over the enterprise because the bonds are not secured directly on the enterprise but by all stock but qualifying shares of directors in Beauharnois Light, Heat & Power Co., Beauharnois Construction Co., Beauharnois Transmission Co. and Beauharnois Land Co. But there will be a very modified delight in this control because the enterprise can only be brought to a successful operating stage by October 1, 1932, if more money is put up. The three banks, Royal Bank, Canadian Bank of Commerce and Bank of Montreal, are well protected by first mortgage bonds issued temporarily for the purpose and by a Dominion Government guarantee of nearly $8,000,000, but at least $8,000,000 is badly needed to complete four 50,000 horsepower units ready to deliver power on October 1 next. Obviously the era of control of the 6 per cent collateral trust bondholders would be short if the first mortgage bondholders took over in order to protect the bond interest.

Premier Bennett is "Willing"

Some bondholders profess to believe that there is now no longer reason for worry in that Premier Bennett stated that he was willing to "consider sympathetically any proposal that might be made to acquire the first mortgage securities to the extent to which the cost might represent the cost of the canal for navigation purposes," but this willingness was conditioned on a plan of reorganization being arrived at. Premier Bennett said that that would not involve the Government in any payment which would not be repaid under the terms of the bonds themselves but "it might be advisable and in the public interest that by the acquisition of bonds funds might be provided for the purpose of enabling them to carry forward the undertaking to which they are now committed."

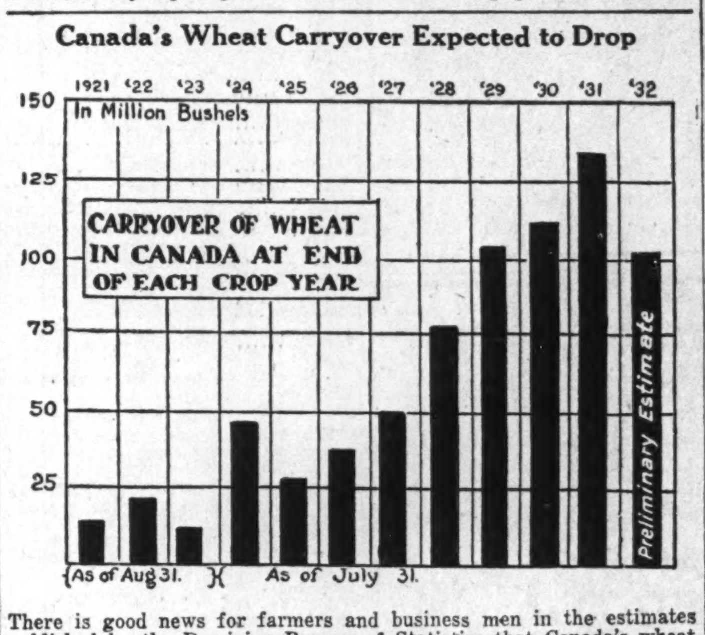
It has therefore been made plain that Premier Bennett will take a reasonable view of the Dominion Government's responsibility in view of the fact that his own government and the preceding government had by common consent treated it as an undertaking that was a link in the St. Lawrence Waterway and that the canal should be a canal available to navigation. In January, 1932, a letter from the three banks who had lent money to the enter-

(Continued on page 2, col. 5)

March Index Drops

The Financial Post preliminary index of business showed a decline in March, only six out of 18 factors making headway. For details see page 7.

Canada's Wheat Carryover Expected to Drop



There is good news for farmers and business men in the estimates published by the Dominion Bureau of Statistics that Canada's wheat carryover will drop to 103,000,000 bushels by July 31, 1932. At that date last year the official carryover was 133,000,000 bushels. The estimated figure for 1932 is actually below the 1928 figure of 104,400,000 bushels. For details see page 7.

NATIONAL CAR WIDENS FIELD OF ACTIVITIES

Forms Working Plan With William Hamilton

HOLDS POSSIBILITIES

Large Peterborough Company Has Affiliation With Railway Equipment Maker

From Our Own Correspondent

MONTREAL. — National Steel Car Corp. has further broadened the scope of its operations by affiliating its activities closely with those of William Hamilton Ltd., one of the oldest and largest industries in Peterborough. Official details have not been made public; it is understood, however, that the arrangement as yet is more in the nature of a working agreement rather than acquisition.

Production of the two companies is closely co-ordinated and benefits are expected to arise from the increased merchandising scope which attends the affiliation. Wm. Hamilton is engaged in manufacturing products for the pulp and paper and mining industries, while it has a substantial output of hydraulic equipment.

Active in Mining Field

In the mining field the company holds the exclusive Canadian rights for Wifley sand pumps and Marcy mills and in the past has fulfilled substantial orders for leading mining companies. Water turbines under the James Lefell Co., of Springfield patents are made in the hydraulic division and hoists, made under the Lidgerwood patents, have been supplied to leading Canadian power companies.

In various lines there are products which dovetail into National Steel Car's output and distribution through the combined sales channels should prove helpful to both companies.

Seeks New Fields

National Steel Car is continually widening its manufacturing range. Entering the field of motor boat construction over a year ago the company has made progress with the sale of a product new to its shops. In March this year negotiations were completed with the La Plante-Choate Mfg. Co., of Iowa, whereby National Steel Car will manufacture all machines in that company's line exclusively for distribution in Canada. These machines include snow ploughs, dump wagons, brush cutters and similar equipment.

Plants of National Steel Car are relatively slack, at least as far as railroad equipment is concerned. It is stated, however, that the company is fairly busy on motor car body contracts; a division of its activities which has been substantially improved from a manufacturing viewpoint in recent years.

Stimulate Miscellaneous Work

Railway equipment companies have to be alert for new business opportunities in these days. With drastic economies enforced by the two roads, orders for new cars are kept at a low level, and the usual volume of new orders which generally makes its appearance at the turn of the year did not materialize in 1932.

Consequently equipment firms have had to turn to other sources for their revenue, and the broadening out of their activities in recent years indicates that they have striven to build up a wider miscellaneous business to help them when orders for railway cars fall off. In the main, however, railway equipment must remain their greatest source of profit for their plants primarily have been constructed to supply rolling stock.

Foresee Better Times

Those who follow the affairs of equipment manufacturers point out that so long as they are able to tide

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SPECIAL SECTION

Truck and bus offerings for 1932.

Spring is not Spring without

A NEW HAT

The St. Lawrence - - $5.00

The Horton - - - - $4.00

(Prices differ slightly in some localities)

So typical of spring they'll banish the memory of zero mornings . . . so economically priced you'll hardly believe your eyes.

Sponsored by the makers of the

BROCK

Canada's leading hat

Thrift Stores Earn Charges Three Times

From Our Own Correspondent

MONTREAL. — Earnings of Thrift Stores, grocery chain of 65 units in Montreal, were sufficient, after charges, to cover first and second preferred dividends three times over in the fiscal year ended March 31, 1932. Figures on gross sales or net profits have not been made public as yet.

Latest figures available showed retail sales of $2,959,335 in the first nine months of the year compared with $2,370,375 in the same period of the previous year, an increase of about 25 per cent. Number of stores increased from 51 to 65 in that period; a decline of but $950 in sales per store was indicated for the nine-month period.

No new financing was carried out during the past year. Capital structure comprises $350,000 of 6½ per cent first preferred, $120,000 of 7 per cent second preferred and 20,000 shares of no par common.

HILLCREST COAL PROFITS REDUCED

Dividend Outlay is Cut—No Payment Made on Common

From Our Own Correspondent

MONTREAL.—Total earnings of Hillcrest Collieries in 1931 was $30,177 compared with $95,819 in the previous year. Earnings were sufficient to pay interest charges and dividends of $1.75 on the 7 per cent preferred, and leave a surplus of $1,577. No payments were made on the common; in the previous year a dividend of 3 per cent was paid.

In the report it is stated that tonnage and prices dropped and owing to the inability to obtain business in the Winnipeg market at a remunerative price it was necessary to shut down the Byron Creek properties.

Profit and Loss Account

Following is a comparison of profit and loss for the past two years:

	1931 $	1930 $
Net earnings	10,824	65,868
Misc. income	19,353	29,951
Total earnings	30,177	95,819
Less:		
Bond interest	16,250	16,250
Pfd. dividends	12,350	49,399
Com. dividends	......	30,000
Surplus for year	1,577	170
Brt. forward	210,577	210,407
Carried forward	212,154	210,577

Working Capital Higher

Balance sheet shows current assets of $82,367 compared with current liabilities of $65,274 leaving a net working capital of $17,093. This compares with $9,060 at the end of 1930.

Cash is up $10,000 at $11,837, accounts receivable are down $17,000 at $36,948 and inventories are sharply off at $33,581 compared with $162,365. Investments in other collieries are up $8,000 at $628,367 and property at $1,907,468 shows a gain of $14,000.

In liabilities bank loans have been reduced from $142,567 to $40,000 and accounts payable are down $12,000 at $17,095. Capital structure is unchanged and reserve for contingencies remain at $300,000. Surplus is higher by $2,000 at $212,154.

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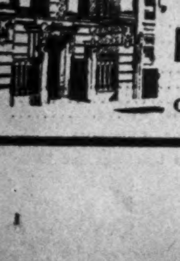

for personal expenses or for making foreign purchases are issued at any Branch of this Bank. They offer a safe and convenient method of carrying funds when travelling abroad.

THE BANK OF NOVA SCOTIA

Established 1832

Capital, $12,000,000. Reserve, $24,000,000.

Total Assets over $265,000,000

The Nation's Business

(Continued from Page One)

mining promotion, was not, in the opinion of The Financial Post, the proper person to make the suggestion he has made. The public ought to know a lot more about the proposition before it becomes unduly enthusiastic about it.

* * *

Weighing Preferences in the Balance

THE London Times publishes a recent editorial from The Financial Post as the ultra-nationalist viewpoint in Canada on the forthcoming Imperial Conference. Letters to the Times seem to suggest that some Britishers view any such stand as alarming.

The Post has no intention of presenting an ultra-nationalist view on preferences. But it believes that Empire preferences will only be permanent if they are on a business basis.

What The Post has said is that when Great Britain comes to the conference it will want to start all negotiations from the present point. The thirty-five years of Imperial preferences by Canada will be ignored. Britain's attitude will be to ask what Canada is prepared to do in addition in exchange for the ten per cent preference which Britain has granted temporarily. Canadian preferences will be considered as so well-established as not to be worthy of consideration in present or future bargaining. That is the price Canada will be asked to pay for having originally granted them freely and without asking anything in return. The additional preferences offered in the last Dunning budget would also have been worthless in obtaining for Canada better terms in the British market.

* * *

GREAT BRITAIN should not find it difficult to understand how difficult it is to obtain a quid pro quo in exchange for a fait accompli. It has had some experience itself in making generous gestures and getting little or nothing in return; it also has trumped its own aces and wished later it had not been so quixotic.

Consider the war debts settlement with the United States. Britain jumped in and made a settlement with the United States only to discover later, from the French and Italian experience, that it could have made a much better settlement.

Or the Balfour note. In that note Britain stated that it would not ask its Allies or Germany for any greater payments on their debts than it required to meet the service on that part of its own obligations to the United States that it had assumed on behalf of the Allies.

Or even Locarno. Britain agreed to hold the balance of power between France and Germany and to take the side of either of those nations if attacked by the other.

These were soul-stirring gestures, but if Britain had held them up its sleeve it could have used them in the present crisis to enforce more rapid settlement of some of the world's key problems.

* * *

A NEW word has come into world affairs since the war. It is the word "unilateral," meaning "one-sided." Imperial preference, as between Canada and Britain, has been unilateral for more than a generation. The time has come when Imperial preferences must be bilateral and in making them bilateral due allowance must be made for all existing preferences of whatever character. The extent of Canada's present preference should be carefully weighed and allowed for. The extent of Britain's preference must also be carefully weighed. If the balance is not even it must be made so before any further concessions are considered by the side that has put the heaviest weight in the scales.

* * *

AN ARTICLE in the Advertisers' Weekly, of London, Eng., shows how sterile the Canadian preferences have become as an instrument for bargaining for a better position for Canadian goods in the Old Land. Under the headline, "Existing Empire tariffs which no one understands," this publication states that "the existing Empire preferences call for some revision." And along what line? Apparently along the line of giving British goods even greater preferences regardless of what Britain does. What Canada has got for its thirty-five years of generosity may well be gleaned from the concluding paragraph of the article which reads as follows:

"One thing is certain. Britain will not go to Ottawa and be the milch cow. The time for such luxurious gestures is long past."

"Luxurious gestures" indeed. This British editor has very neatly reversed the true position of Canada and Britain.

* * *

OF COURSE it has long been contended by the British that the Canadian preferences are of no real value. Joseph Chamberlain expressed this view at an Imperial Conference many years ago when he said:

"So long as a preferential tariff, even a munificent preference, is still sufficiently protective to exclude us altogether, or nearly so, from your markets, it is no satisfaction to us that you have imposed even greater disability upon the same goods if they come from foreign markets."

And a New Zealand writer recently expressed the British view even more succinctly when he put it this way:

"If you are drowned in four feet of water, what advantage is it to you that your rival is drowned in eight?"

If the British find our preferences of no value, the conference would start off in a more amiable spirit were the Canadian preference to be abolished entirely before the conference opened. Such a move is impractical at this late stage. But that does not prevent the negotiations from being conducted by both sides with a full recognition of all presently existing preferences.

JAMAICA SERVICE HOLDS REVENUE AT 1930 LEVEL

Higher Interest Charges Slightly Reduce Net Profit

From Our Own Correspondent

MONTREAL.—A decline in transportation earnings of $41,551 largely offset an increase in Jamaica Public Service light and power revenue in 1931, which showed an increase of $48,187. Total earnings were down $4,255 at $829,597 but net earnings showed a gain of $884 at $340,184.

A full year's interest charges on bonds issued in 1930 resulted in increased interest payments and after provision for retirement reserve and preferred dividends, there remained a sum equal to $1.81 a share on the common stock compared with $2.01 a share in 1930. Dividends of $1 a share were paid.

It is interesting to note that the cost of transferring funds for 1932 interest and dividend payments from Jamaica at reduced rates of exchange was anticipated and avoided by negotiating a loan of £50,000 in Jamaica, the proceeds of which were transferred into United States dollars prior to the removal of the gold standard by Great Britain. This loan is being paid down in Jamaica from current receipts.

Profit and Loss Figures

Following is a comparison of profit and loss figures for the past three years:

	1931 $	1930 $	1929 $
Gross earnings	829,597	833,853	767,315
Oper. expenses	459,732	457,215	416,871
Balance	369,865	376,638	350,444
Taxes	33,592	37,338	30,105
Net earn.	336,273	339,300	320,339
xOth. inc.	3,911	......	......
Total inc.	340,184	339,300	320,339
Int., etc.	112,846	95,858	77,941
Balance	227,338	243,442	242,398
Retire. res.	90,000	90,000	80,000
Balace	137,338	153,442	162,398
Pfd. divd.	56,000	63,000	70,000
Balance	81,338	90,442	92,398
Com. divd.	45,000	22,492	......
Surplus	36,338	67,950	92,398

x—Interest on funds for construction purposes.

Working Capital Improved

The balance sheet shows current assets of $513,349 compared with current liabilities of $252,794, leaving a net working capital of $260,555. This compares with a working capital of $253,967 at the end of 1930. Though current liabilities were higher than in 1930, current assets were increased by additions to cash and accounts receivable.

At the end of last year cash totalled $278,798, an increase of $152,000; accounts receivable were higher by $41,000 at $126,199 and inventories were down $9,000 at $113,352. Investments in the preferred stock of Jamaica Public Service Co., operating subsidiary, were virtually unchanged at $220,982 and the current balance sheet showed $15,000 of the subsidiary's first mortgage bonds re-acquired.

Property account is up $155,103 at $3,884,798. The increase results largely from construction of a Diesel engine-electric and ice plant to serve the Port Antonio territory. Other expenditures were mostly in the Kingston territory to provide miscellaneous distribution facilities to serve additional electric business. Former unadjusted debits of $25,945 have been eliminated and bond discount and expense is down $10,000 at $214,146.

Borrowings Find Reflection

In liabilities, notes payable of $165,466 reflect the company's anticipation of a decline in exchange rates and subsequent bank borrowing. These notes are payable in sterling at par. Accounts payable are up $4,000 at $34,289 and accounts not yet due are higher by $10,000 at $53,039.

Retirement reserve has been increased by $100,000 to $313,558 and operating reserve is down $8,000 at $33,471. Capital structure is unchanged and surplus has been increased from $129,175 to $183,144.

In a report which is noteworthy for its clarity, it is shown that electric customers increased by about 850 to 7,851 and that the number of passengers carried on the tramway system declined by 1,100,000 to 7,769,275. It is pointed out that the latter utility was affected principally by continued competition from motor buses.

Remarks to Shareholders

In his remarks to shareholders, Russell D. Bell, president of the company, said in part:

"The light and power business produced 59 per cent of the gross earnings, the tramway and incidental bus operations 37 per cent, and the other 4 per cent consisted of ice and miscellaneous income. An increase of $48,187, or 11 per cent in electric revenue was the composite result of adding the Port Antonio business and making good gains in the residential and commercial branches, offset by lower sales of electric power for irrigation pumping.

Plans for encouraging greater use of electricity in the home were effectively continued. Many customers are installing appliances and taking advantage of the lower average rates now available under the home service schedule for increased consumption. The merchandising department has extended its activities and services in the appliance field.

"The drop in power sales for pumping was occasioned by continuous rains. The 1931 rainfall was 91 in., whereas the average for the past fifty years was 76 in. The rainy weather also tended to diminish the volume of ice sales and tramway riding."

Ontario Deputy Marshal To Address N.F.P.A. Meet

Deputy Fire Marshal George F. Lewis of Ontario will lead a discussion on the Rural and Farm Fire Prevention problem at the 36th annual meeting of National Fire Protection Association which is to be held at Atlantic City, May 9-12.

An interesting feature of the programme is that all entertainment has been eliminated in order to abbreviate the sessions as much as possible, and concentrate on the problems under discussion. Mr. Lewis is the only Canadian director of the association.

'Peg Electric Plan for Relief To be Opposed

From Our Own Correspondent

WINNIPEG.—The city council on Monday decided unanimously on a vigorous campaign against the Bill of the Winnipeg Electric now before the legislature to relieve the company of some of its contract obligations to the city. This is to take the form of protests to the government against interference by the legislature with the city's transportation problem, of the organization of a deputation to the legislature in which various representative bodies will be asked to participate, and in a publicity campaign by radio and advertisement. Although the opinion was expressed that the legislature was unlikely to pass the bill, the aldermen were very seriously alarmed at the possibility, especially because of the support for its application which the company had obtained from the committee organized for that purpose, and considered that a strong effort on their part was called for. It was declared that the company's proposals, if acceded to, would mean an increase of one mill in the city's tax rate.

NATIONAL CAR WIDENS FIELD OF ACTIVITIES

(Continued from page 1)

over the present difficult times their outlook is not as unsatisfactory as the present state of plant operations would indicate. Railroads must maintain the standard of their rolling stock; when their revenues show an improvement they will come into the market with large demands. It is also held that inactive rolling stock tends to depreciate more quickly than that in use; a factor which also has a bearing on the prospects of equipment makers.

As far as ability to withstand present conditions goes, National Steel Car has made preparations for a rainy day. Its large plant constructed in 1929 was built without resort to funded debt; substantial cash reserves were established in more prosperous times while a recent award by the Exchequer Court of Canada has placed some $575,000 in the company's treasury on account of war claims.

At the end of the last fiscal year, June 30, 1931, the balance sheet of National Steel Car showed some $750,000 in cash, investments and call loans, while there were accounts receivable of $1,442,001 which should find reflection in the forthcoming statement. Working capital was $1,693,510 and capital and surplus totalled $5,619,960.

SAY PREMIER BENNETT WILL BACK BANK LOANS FOR BEAUHARNOIS

(Continued from page 1)

prise appraised the value of the canal for navigation purposes over and above its value for power purposes at from $15,000,000 to $16,000,000. This Mr. Bennett considered a little high, but if he accepts this estimate it would appear likely that he would buy $7,000,000 or $8,000,000 of first mortgage bonds to complete the amounts already guaranteed up to nearly $8,000,000.

The chief uncertainty comes because of the Premier's pointing out the rights of the bondholders to have a meeting and decide on a plan of action. As technical default does not come until July 1 they can do nothing beyond organizing until then. Apparently the bondholders committee will have to get assurance from the banks that money will still be forthcoming and give assurance that they would accept a junior place without interest until income of the enterprise fully looks after the bonds and these have been sold. The banks do not want a permanent investment in the enterprise, their function being only to finance its completion without danger to the money loaned.

The provision of current funds to keep the work going while a reorganization plan is being worked out is the chief problem and bankers and bondholders are amazed that Mr. Bennett said nothing on the point. They will likely seek information on the basis of the Montreal report that further guarantees will be forthcoming.

Montreal Power as Buyer

Premier Bennett made it clear that a suggestion from Premier Taschereau late in 1931 was that Montreal Light, Heat & Power Co. should take over the project. This did not commend itself to him, but the incident reveals that the bondholders may have to take over the property with only this one definite market for the company in view. It is common talk that Sir Herbert Holt and executives of the Montreal Light, Heat & Power Co. are no longer so anxious for the Beauharnois power as when they contracted for 150,000 horsepower to be delivered ultimately with first delivery on October 1 this year. When the contract was entered into demand for power was increasing quickly but under present conditions there is ample power available to fill the demand.

Would Sacrifice Values

Yet the Montreal power interests would probably take over the company and complete the project but at a price which would make it worth their while. Current talk is that whereas a year ago the $30,000,000 bond issue would have been assumed, even the Montreal Light, Heat & Power Co. would not touch the deal now if these bonds were not cut in two and changed into a preferred stock or income bond issue. Thus Mr. Bennett has presented the debenture holders with a problem bristling with difficulties.

It must not be forgotten that the project was planned to reach a total output of 500,000 horsepower and that the 200,000 horsepower which may be available on October 1 next was planned as the first part of it. In addition to the $30,000,000 bond issue, it was estimated at the beginning that another $50,000,000 issue would be required to complete the project so that 465,000 horsepower contracted for could be delivered. Mr. R. A. C. Henry, vice-president and general manager, was quoted as saying that a $45,000,000 first mortgage issue would complete the project. In other words, the project would have been completed with a bonded indebtedness of $45,000,000.

It was at first intended that the later financing should occur in 1931, and therefore it was only agreed to provide interest on the $30,000,000 6 per cent bonds until October, 1931. It was expected to pay interest required until construction was completed from the $45,000,000 bond issue. The departure of Great Britain from the gold standard, the disorganization of exchange, the waning of investment confidence, all conspired to prevent this financing. The three banks mentioned were appealed to, and they provided roughly $6,400,000 before asking the Dominion Government to guarantee further loans. The Government did so for another $8,000,000 and then refused to guarantee further until plans suited it. Further plans are in the air until Premier Bennett makes plain what his "conditional willingness to help" means.

Need Whole Project

If the position of the $30,000,000 collateral trust 6 per cent bonds is nebulous, the value of the 1,799,995 shares of no par value Class "A" common stock appears at the moment to be nil. The position of both was dependent on the whole 500,000 horsepower project being pushed steadily forward. Sale of 200,000 horsepower after that date even at $15 per horsepower would give a gross income of $3,000,000 whereas 6 per cent on $50,000,000 or $52,000,000 which would probably be the amount outstanding when banking indebtedness is liquidated and bonds are outstanding in their place, would exceed that amount before expenses of any kind are deducted.

Sees Lots of Water

Premier Bennett's statement that a little more than half or at the most 70 per cent of the $30,000,000 debentures sold actually went into the project may lessen the bargaining power if the latter try to sell out. The letter from the bankers placed the amount received for the $30,000,000 bond issue at $27,000,000 but Mr. Bennett said the securities were to bring the parent company that is, Beauharnois Power Corp., $22,500,000, that the corporation assumed an obligation of nearly $4,000,000 toward the first syndicate and that $3,600,000 of the bondholders' own money was used quite regularly in paying interest to October, 1931. That would leave $14,900,000, and it was soon used up. By January, 1932, the bankers had added to the amounts received from the bond issue placed by them at $27,000,000 roughly $12,000,000, or a total spent of $39,000,000. It is understood that this now stands at $41,500,000 and that with care $50,000,000 would show the ultimate total by October 1, 1932.

It should be stated that the original syndicate spent money for land and rights so that part of the money sent to the syndicate would represent actual services to the enterprise.

Should Push Forward

As for the remaining 300,000 horsepower, it may be that debenture holders can come to some understanding with the Ontario Hydro which contracts to take 250,000 horsepower ultimately and with Montreal Power, in view of their not needing power so much as had been expected, by which the rest of the enterprise can be finished more slowly and as needed. This would postpone financing to better times. That will come later. The first hurdle to jump, however, is to get the money to finish the project. The matter is urgent: men must be employed, paid and materials bought and paid for, before anybody can profit.

The combined memorandum of Royal, Montreal and Commerce banks stated in January last their opinion that the enterprise should be carried forward to a point where it is delivering power, that the investment public should be adequately protected and that everything should be done to prevent the loss of the two chief contracts of Ontario Hydro and Montreal Power as they ultimately would take 400,000 horsepower.

Premier Bennett explained that a first suggestion that Montreal Light, Heat & Power, Shawinigan, Gatineau and Southern Canada power companies should take over the project had to be abandoned as it was found that the contract with Montreal Light, Heat & Power Co. gave the latter exclusive right to sell power within a radius of 35 miles of Place d'Armes Square in Montreal.

FRASER COS. FACE PROBLEM JULY 1 NEXT

(Continued from page 1)

ments on which had been made regularly since 1926.

By this time the serious plight of the company was realized and steps were taken to make such improvements in the company's position as were possible. In the first instance working capital had become virtually non-existent, as nearly all the current assets were tied up in inventories, for which there was little or no market.

A banking syndicate established a credit of $4,000,000, secured by $5,000,000 of refunding mortgage and collateral trust bonds. These bonds fall due on July 1 next.

Various changes were made in management and operation. Conditions in the lumber, pulp and paper markets, however, have been far from favorable in the past 12 months and the liquid position of the company has not undergone any marked improvement.

Every effort has been made by the management to work off its large supply of lumber. It is understood that a goodly percentage of the lumber inventory has been sold, but prices realized were very low.

Kitchener and Waterloo Feel Insurance Taxes

The twin cities of Kitchener and Waterloo will contribute the sum of $15,000 as a result of the new federal insurance taxes announced last week, it is stated.

Of this sum $9,000 represents about 1 per cent of the total premiums of fire insurance companies in those two cities, in addition to which will be probably about $6,000 contributed in new taxes by the cash fire insurance companies of the district.

One feature of the new tax is that it is levied on cash mutual insurance companies in addition to joint stock organizations. Cash mutuals paid a tax from 1915 to 1929, but in legislation introduced last year, which was never proclaimed, all mutual companies were exempt from payment of the tax.

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FAMOUS PLAYERS SHARES EARNED $2.17 FOR 1931

Report Gives Progress in 16 Month Period; Position Maintained

Famous Players Canadian Corp. earned $2.17 per share on the 378,790 no par value shares outstanding in the 12 months ended December 26, 1931, and earned bond interest and mortgage interest 4.42 times before depreciation. In 1930, the company earned $5.03 per share covered bond and mortgage interest 6.95 times before depreciation. Net earnings from operations dropped to $2,478,721 from the $4,268,988 reported for the previous full year. Interest charges were some $53,000 lower while depreciation at $959,323 was twice that of previous fiscal year. The company ended the year with a net profit of $823,106 available for dividends, as compared with $1,906,255 in the previous year. Change in the end of the fiscal year to December 26, was accomplished by giving separate figures for the 4 months ended December 27, 1930.

While working capital is slightly lower at $760,632 the ratio of current assets and current liabilities is 1.85 to 1 as against 1.72 to 1 shown in the previous statement. Current assets total $1,660,028 and current liabilities, $899,396. Cash is down to $403,373 from $1,422,723 while investment in Dominion government and municipal bonds, at market value, is shown at $557,510 against $338,557 at August 30, 1931. Advances on film rentals, a new item, were carried at $372,685, while advances to affiliated companies are up to $193,103 from $124,076. The company has no bank loan and bills to sundry creditors have been reduced to $188,342, from $547,052. Purchase money obligations are up to $281,180 from $14,621. These mature serially within 12 months.

The chief items among non-current assets include investment in affiliated companies of $2,417,874, a reduction of some $338,000 since the previous report. Good will, franchise, etc., are carried at $7,402,283, and show reduction of $363,600. Fixed assets include lands at $5,687,994, and buildings, fixtures, and equipment at $6,927,323, after depreciation. Included among non-current liabilities are purchase money obligations amounting to $931,242. There is $5,465,500 of 6 per cent first mortgage bonds still outstanding and $6,822,500 of 6½ per cent debentures, while mortgage on theatre property total $1,494,406 as against $1,059,890 in 1930. Minority interest in subsidiary companies at $890,449 includes $697,950 in preferred stock. The common stock is carried at $8,991,725 and surplus at $3,613,535.

CONS. INCOME AND SURPLUS ACCT.
Fiscal Periods Ended

	Dec. 26 1931 $	Aug. 30 1930 $
Net earnings	2,478,721	4,268,893
Less: Interest	561,292	614,170
Depreciation	969,323	484,559
Proportion of cost:		
Sound equip. w/o	....	454,656
Sound instal. w/o	....	178,682
Other def. chgs. w/o	....	289,346
Dom. income tax	125,000	176,190
	823,106	2,071,290
Less: Proportion applicable to min. int.	....	165,035
Net profit	823,106	1,906,255
Less appropriations:		
Common divds.	757,555	735,730
Surplus for year	65,551	1,170,525
Add: Prev. surplus	3,217,681	3,071,433
Net profit 4 mos. end. Dec. 27, 1930	519,660	....
Less: Divds. for 4 mos. end. Dec. 27, 1930	189,357	....
Special approp. for contingencies & deprec.	....	1,024,277
	3,613,535	3,217,681

FRONTENAC BREW. INCREASES DEFICIT

Small Working Capital Deficit Shown in Statement

From Our Own Correspondent

MONTREAL.—Frontenac Breweries Ltd., controlled by National Breweries, reports a profit and loss deficit of $57,402 for last year, bringing the deficit account, after adjustments, up to $434,404.

Income account showed a trading profit in 1931, totalling $81,642. Bond interest amounted to $54,763 and depreciation charges, $84,282.

No dividends have been paid on the capital stock of Frontenac Breweries for some time, the preferred shares being in arrears since January 1, 1926.

Working Capital Nil

The balance sheet at December 31 last, showed total assets of $3,723,924. Current assets, totalling $606,567 were almost equivalent of current liabilities which amounted to $686,658.

Deficit. Totals $434,404

Goodwill, trade marks, etc., are carried on the books at $356,873, while the deficit account totals $434,404.

The funded debt of the company now amounts to $894,200, $205,800 of the original issue having been redeemed. Reserves on buildings and machinery, totalled $858,065.

The issued capital stock includes $375,000 of 7 per cent cumulative convertible preferred shares, and 9,100 shares of common stock of the par value of $100 each.

C.G.M.M. Asking Tenders on 9 "Canadian" Boats

From Our Own Correspondent

MONTREAL. — Canadian Government Merchant Marine is calling for tenders for the purchase of nine vessels, eight of which have an average deadweight capacity of approximately 8,350 tons and one with a capacity of 3,964 tons. These boats were all built in 1919 and 1920. Among the conditions of sale is that the name of the vessel must be changed before the transfer is completed.

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Eminent Statesmen Come from Australia

Bruce and Latham, Who Will Attend Imperial Conference, Are Among Strongest Men in Lyons Ministry—Bruce is an ex-Prime Minister

By JOHN A. STEVENSON

BRUCE

Rt. Hon. Stanley Melbourne Bruce, who will head the Australian delegation to the Imperial Conference, has since the war come to occupy a prominent place in Australian and Imperial politics. The son of a wealthy Victorian family of Scotch extraction, whose fortune is derived from one of the leading dry goods establishments of Melbourne, he was born in that city in 1883 and received his early education at Melbourne Grammar School. Then he was sent to Trinity Hall at Cambridge University, where, if he did not gain high academic honors, he won distinction as an athlete by rowing for Cambridge in the boat race of 1904. He was called to the English Bar, but he never took the legal profession seriously, preferring to enter his prosperous family business. He was in London when the war broke out and promptly secured a commission with the Royal Fusiliers. A long spell of active service with this regiment brought him some wounds and the decoration of the M.C. and in the latter part of the war he served on the staff of the Australian corps.

Becomes State Treasurer

After the war he returned to business life, but he had become interested in politics and secured election to the Australian Parliament in 1918. He was one of his country's delegates at the Assembly of the League of Nations in 1921, and when he returned to Australia from this mission, W. M. Hughes, who was then premier and at the height of his power, bestowed upon him the important office of the treasureship of the Commonwealth. It was very speedy promotion for a political novice but Bruce soon acquired a personal following and when Hughes' dictatorial methods alienated a large body of his followers, it was Bruce who headed the palace revolution, which in 1923 resulted in the deposition of Hughes from the leadership of the Nationalist party and in the termination of his Premiership.

Bruce was then entrusted with the task of forming a new government and found himself at once struggling with a variety of embarrassing problems, which began to show their head in Australia five years ago and are still far from a solution. He managed to win one general election in 1926, but his difficulties increased and he had three more troubled years of office until in 1929 the country turned against his administration and at the general election of 1930 installed the Labor party in office. Bruce, having lost his own seat, had to give up the leadership of the Nationalist party to P. H. Latham and in the next two years spent a good deal of time abroad, chiefly in London.

His Spats Not Liked

He did not regard his political career as ended but no popular clamor for his return to public life materialized in Australia; he has no lack of devoted admirers, but the general Australian public suspected him of being too British in his sympathies and not a sound nationalist. His English accent and his penchant for wearing spats being targets for criticism. He was in London when the Scullin Ministry was forced to the country last fall but he contested his old seat in absentia and had the satisfaction of winning it back. When Mr. Lyons, the ex-Laborite, who had led the United Australia party to victory, formed his ministry he did not give Bruce any department but brought him into the cabinet without portfolio and by appointing him High Commissioner in London with ministerial rank initiated an interesting constitutional experiment. He also selected him to head the Australian delegation at the Imperial Economic Conference and at present Mr. Bruce is devoting all his energies to the preparations for this gathering.

Old Hand at Conferences

Mr. Bruce has behind him the valuable experience of participation in the conferences of 1923 and 1926. He was one of the star performers at the latter gathering, where he proposed an elaborate programme for the stimulation of inter-Imperial trade, but did not get much support for it and found himself at odds with our own Mackenzie King on different issues. Today he has lost none of his zeal for Imperial economic co-operation and he has been busy making speeches and writing articles on the subject. Alike from his business interests, which are those of the importer, and his intellectual convictions, Bruce is no devotee of local economic nationalism and, if he has his way, he will offer bargains to Britain which will be far from palatable to many Australian manufacturers and which our own Government may find itself unable to match. Although lacking Mr. Bennet's powers of exposition and financial skill, he has many traits in common with our prime minister and at the conference the pair will be the dominant figures of the Dominion delegations.

LATHAM

The second member of the Australian delegation is the Hon. John Greig Latham, K.C., C.M.G., an eminent lawyer who is now attorney-general in the Lyons administration. His name indicates his mingled Scotch and English blood and like Mr. Bruce, he is a native of the state of Victoria, having been born at Melbourne in 1877. He received his education at the school called the Scotch College in his native city and then proceeded to Melbourne University where he was one of the most distinguished students of his year. Indeed, as soon as he graduated, he was offered a post on the University staff as lecturer in Logic and Philosophy. But he was not minded to pursue a purely academic career and so he studied law and qualified for the Bar. When he began to practice, however, he retained his connection with the university through a lectureship in the law school and he came to be recognized both as an able legal scholar and a sound practical lawyer.

Mr. Latham had risen high in his profession when the war broke out but he abandoned his law work to serve with the Australian naval forces and rose to rank of lieutenant-commander. Then, when W. M. Hughes came to recruit a staff for the Peace Conference, he enlisted the services of Latham, who was reputed to know more about international law and constitutional problems than anybody in Australia and took him to Paris. There he served as one of the assistant secretaries of the British Commonwealth delegation and was given a variety of interesting jobs to tackle; he served for example on a commission which was set up to determine the boundaries and settle the future of Czechoslovakia.

After the conference, he embodied the fruits of his experiences and observations in a book entitled "The Significance of the Peace Treaty for Australia," and he followed this up three years ago with another volume styled "Australia and the British Commonwealth," which is rated a standard work on the subject and won warm commendation from high authorities.

Rebelled Against Hughes

Always keenly interested in political problems, he did not feel free to embark upon an active political career until 1922 when he was elected as a supporter of the Nationalist party for the Koojong division of Victoria. Entering Parliament with a ready-made reputation, he soon made his mark in debates but he could not stand Mr. Hughes' dictatorial habits and, when the revolt against the latter's leadership broke out in 1923, Mr. Latham backed Mr. Bruce and was one of the most active of the mutineers.

In 1925, when Bruce reorganized his original cabinet, he made Latham his attorney-general and found his legal abilities and debating skill invaluable assets for his ministry during its troubled years of office. When disaster befell the Nationalist Ministry at the general election of 1929, Latham held his seat when Bruce lost his and as, lacking a seat in Parliament, Bruce could not hope to keep the party leadership, he resigned and Latham was elected in his stead.

For the next two years, as leader of the official opposition Latham waged unremitting warfare in and out of parliament against the Scullin ministry and events seemed to be shaping themselves to make him premier of Australia. But, when the economic crisis grew more acute and it became plain that no stone must be left unturned to oust the Laborites from office, if Australia was to be saved from ruin, Latham showed great public spirit in helping to form the United Australia party and waiving his claims to its leadership in favor of the ex-Laborite, Mr. Lyons. However, when the victory was won, he was made attorney-general and now ranks as second-in-command of the present Australian ministry.

Not a Popular Figure

Mr. Latham has few of the attributes which make for popularity with the public; on the platform he is a dull unemotional speaker, who, lawyerlike, sticks closely to his brief and relies upon logical argument. But his highly-cultivated and scholarly mind has now been fortified by considerable political experiences and, if he will not be one of the meteoric figures of the conference, his voice will not be without influence. Liberal in his general outlook, he is a convinced believer in Imperial co-operation and in his economic views leans to low rather than high tariffs.

NATIONAL BRICK PLANT REOPENING MAY BE DELAYED

Prospects for Current Season Indefinite at Present

From Our Own Correspondent

MONTREAL.—Directors of National Brick Co., of Laprairie, will decide shortly what policy will be adopted in regard to plant operations during the coming season. The brick plants have been closed down since early in December, a usual procedure which allows rehabilitation of equipment during the slack season; as a rule the plants reopen about this time.

It is possible that reopening may be delayed this year. Current prospects for new business are not encouraging and there still remain some supplies on hand which might be disposed of before operations are resumed. The effect of lessened constructional activity on earnings last year was reflected in a default in interest payments due March 1 on the $1,600,000 of six per cent first mortgage bonds.

It is not known yet when National Brick will release its financial statement for the fiscal year ended Feb. 29, 1932. The report for the previous year showed bond interest covered 1.60 times after depreciation; in view of the default a loss for last year is indicated.

The bondholders' protective committee, formed after the lapse in interest payments, has not made an announcement regarding its plans. A request has been made that bondholders deposit their securities so that the necessary voting power may be obtained to carry out whatever proposals are decided on.

Flour Consumption in Canada

A barrel of flour per person, per annum, is the average consumption in Canada, according to the latest figures from the Dominion Bureau of Statistics, which show that in 1931 there were 15,498,215 barrels produced by the mills and 5,697,224 barrels exported, leaving, roughly, one barrel per person in Canada.

DOM. WOOLLENS CHANGES PRODUCT ACCOUNT TARIFF

Company Switches Portion of Worsted Output to Woollens

From Our Own Correspondent

MONTREAL.—In an effort to avoid the keen competition afforded by imports of worsteds at the present time, Dominion Woollens and Worsteds is switching a portion of its worsted output into woollens to take advantage of the higher tariff afforded the latter type of goods. Those in touch with the company's affairs are of the opinion that worsted importations from Great Britain are relatively higher today than at any time for some years.

Dominion Woollens and Worsteds is primarily a worsted manufacturer but its operations in this division have been considerably hampered in the past year by strong competition emanating from England. No relief is in sight at the moment.

Earnings Below Needs

In the past two years earnings of the company, after charges, have not been sufficient to cover bond interest requirements, and an operating deficit of $744,822 was brought forward into the current fiscal year. Reductions in inventory valuations has been largely responsible for this situation; at the end of the last fiscal period, June 30, 1931, inventories at $1,399,742 showed a decline of $1,100,000 compared with 1929.

Investment interest is largely confined to the bond issue. The last balance sheet showed $2,157,000 of 6 per cent first mortgage bonds outstanding; sinking fund operations are reducing the bonds by $67,500 annually.

CANADA NORTHERN REPORTS PROGRESS

Developments in Territory Enhance Demand For Power

From Our Own Correspondent

MONTREAL. — Canada Northern Power Corp. reports that earnings have continued to increase since the beginning of the year.

Construction work on the new transmission lines connecting the mining operations of Mining Corp. of Canada, which is operating Ashley Gold Mines in the Matachewan area, has been completed, and a new sub-station, equipped with four 1,000 k.v.a. 110,000-12,000 volt transformers, has been built at High Falls, where connection is made with the double line from the Quinze Power plant to Shumacher. This equipment was brought into operation for the first time on March 16 last.

The management reports numerous additions to the equipment at the mines in the Kirkland Lake district, resulting in increased power demands. These include a new hoist at the Lakeshore Mines, a new compressor, as well as a new crushing plant at the Wright Hargreaves Mine, besides smaller units at the Teck Hughes, and Kirkland Lake Gold Mines.

Want More Power

The new pumping station at McTavish Lake by which an ample water supply for the Kirkland Lake camp is assured, has been completed, and is now utilizing power.

In the Porcupine area, La Roche Mines was added to the company's list of customers, power being turned on early in the present year.

Granada Gold Mines in Rouyn Township is also utilizing Canada Northern Power.

Good progress has been made on the new flotation plant being built for the Lakeshore Mine, which will recover gold values now lost in the tailings and further increased power requirements.

Taken as a whole, the management states that business in the territory served by the company is quite active and the kilowatt hour output maintains its increase.

DOM. ENGINEERING EXTEND ACTIVITIES

Enter Into Contract With Farrell-Birmingham Company

From Our Own Correspondent

MONTREAL.—Dominion Engineering Works has entered into a contract with the Farrell-Birmingham Company of the United States for the exclusive rights to the Farrell designs and patents in Canada, and rights in other parts of the British Empire for the machinery for the rolling of non-ferrous metals and other concessions.

A statement to this effect was made at the annual meeting of shareholders by G. H. Duggan, president, who said that the agreement covers machinery for the rubber, linoleum, and asbestos industries as well as stone crushers.

Shovel Sales Small

Referring to the Dominion Hoist and Shovel Co., jointly controlled by Dominion Bridge and Dominion Engineering, Mr. Duggan said that it had not been as active as expected owing to the general recession in business. Sales during the past year amounted to only $55,000.

The annual meeting was largely routine, the statements being adopted, and the directors were re-elected and officers re-appointed without change.

ASK U.K. PREFERENCE ON PACIFIC SALMON

Lumber Mills Also Hope For Benefit From Imperial Conference

From Our Own Correspondent

VANCOUVER. — Because British tinplate and nets are almost exclusively used in the fisheries of this province, British Columbia salmon packers will urge at the Empire Economic Conference that a special tariff be placed on their product in the British market.

Packers say that the present 10 per cent ad valorem preference is not entirely satisfactory, and that even under present conditions Japanese and Russian salmon is able to flood the United Kingdom market at lower prices than could possibly be afforded by Canadian operators. They say that in most cases the Japanese and Russian packs are produced without British materials, and that the British government should take cognizance of this fact in clearing the way for increased overseas consumption of Canadian fish.

The chief case of British Columbia industries before the coming conference at Ottawa, however, will be in connection with lumber. Lumbermen declare they are convinced that nothing short of an embargo on Soviet lumber or establishment of a quota system will make it possible for British Columbia to make any headway in the markets of the United Kingdom. To attempt price competition with the Soviet, they say, would be ruinous.

Meanwhile arrangements are being made at several sawmills to install new machinery that will facilitate the manufacture of lumber according to British specifications. In the past there has been considerable complaint that B. C. lumber did not meet conditions required by British buyers and that consequently orders were placed with the Baltic countries.

PAGE-HERSEY TUBES OUTPUT SHOWS GAIN

Welland Plants Operate on 1922 Level; 50 p.c. of 1929 Production

Three plants of Page-Hersey Tubes Ltd., near Welland, are currently operating on a basis which is approximately 50 per cent of 1929 production. March and April business has shown some increase over that of February which was somewhat lower than January. Export business is reported to have been maintained on about the same ratio as domestic business. The new seamless tube mill, placed in production in December, 1931, is chiefly engaged in the manufacture of boiler tubes which previously had to be imported.

Present operations are stated to be at the 1922 level although the margin of profit is greater due to improved methods of manufacture. Stock of the company recently sold down to $35¾ while the company has liquid assets, after deduction of all liabilities, equal to some $33 per share, before making allowance for value of plant and goodwill. The company has no bank loans or funded debt and only 184 shares of preferred stock rank ahead of the common stock of which there are 174,252 shares no par value outstanding.

Recent selling of the stock is believed to have been forced and officials of the company state that the real worth of the company is greater now than ever before and that with any improvement in business would be quickly reflected in profits of the company.

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Utilities and Transportation

QUEBEC POWER REDUCES RATE STOCK DIVIDEND

Lower Earnings and Need of Capital Cause For Action

From Our Own Correspondent

MONTREAL.—With declaration of a quarterly dividend of 38 cents a share, Quebec Power Co. has placed its common stock on a $1.50 annual dividend basis. This compares with the $2 rate hitherto prevailing.

This action was not altogether unexpected and is a reflection of the lower earning power of the company and the necessity of conserving liquid resources in order to take care of the company's capital requirements.

Earnings Are Lower

During the first quarter of this year, Quebec Power reported a gross income of $1,083,428. After deduction of operating expenses, taxes, exchange and other expenses, totalling $650,999 and fixed charges totalling $146,695, there remained a surplus before depreciation and income tax, of $285,733. This is equivalent to 51,65 cents a share on the common stock, of course, without making allowance for depreciation and income tax.

In announcing the lower dividend rate, Julian C. Smith, president, depatched the following letter to shareholders, which explains the reason for the reduction:

"The directors desire to inform the shareholders that this action is taken to maintain the company's sound position.

"In a company such as the Quebec Power Co., certain extensions, betterments and improvements are necessary each year and these obviously call for additional funds.

"Conditions in the financial world at the present time make the provision of additional capital very onerous. The directors consider it advisable that as much as possible of the extensions to be carried out in the near future should be provided for from the earnings of the company. They further desire to explain that the company's earnings this year will be reduced through general conditions and by the lack of net earnings from the Quebec Railway, Light and Power Company, which operates the tramways system and the railroad to Ste. Anne de Beaupre.

Need of Capital

"The directors do not overlook that a public utility corporation faces the necessity of obtaining further capital from time to time to permit the normal expansion of its business.

"This capital must be secured both by the sale of bonds and the issue of shares. It is therefore necessary that the corporation earn a reasonable return upon the value of its assets, represented by the various forms of capital, which return must be sufficient to allow the payment of a dividend covering the value of the money.

"The directors wish to re-affirm their belief in the soundness and future of the company and feel assured that with the return to more normal business conditions, the earnings of the company will reflect the changed conditions."

Jamaica Public Service Profits Off in February

From Our Own Correspondent

MONTREAL. — Gross earnings of Jamaica Public Service Ltd. in February last totalled $68,582, a decline of $7,707 from the same month last year. There was a slight decline in operating expenses and taxes, but net earnings at $29,232 were $5,044 less than in February, 1931. After taking care of interest and amortization charges, there was a balance for reserve retirement of dividend in February of this year, of $19,905, as against $24,874 a year ago.

Cumulative returns for the twelve months ending February 29, 1932, show gross earnings of $816,891 and operating expenses and taxes of $489,625, leaving net earnings of $327,226. In the preceding fiscal year, net earnings amounted to $353,824; to this year's account was added income from other sources totalling $3,911, making a total of $331,177. Interest and amortization charges were higher at $112,643, leaving a balance for reserve, dividends, etc., of $218,534. This compares with $251,243 in the fiscal year ended February 28, 1931.

Steel Men Plan Hold Conference

From Our Own Correspondent

MONTREAL. — Representatives of Algoma Steel Corp. and Dominion Steel Corp. will confer shortly with a view to formulating a plan whereby every possible ton of steel that is purchased in Canada may be manufactured in this country.

In the opinion of Sir Newton Moore, recently appointed president of Dominion Steel and Coal Corp., the conference will place the Canadian steel men in a position to discuss with English operators, ways and means of securing wider Empire markets.

SOUTHERN CANADA AREA HAS GROWTH

Power Company Reports Enquiries; Plants Add to Equipment

From Our Own Correspondent

MONTREAL. — Southern Canada Power Co. states that business in the first quarter of this year has been well maintained. At the same time the management reports numerous enquiries from prospective manufacturers, who have in mind the possible establishment of a plant in the company's territory.

Industrial activities in the factories located in the areas served by the company are being maintained on a satisfactory basis. Following are the highlights of developments in the first quarter of this year:

Plants Extend Operations

At Granby, the Stedfast Rubber Co. has installed additional equipment with the object of increasing its output.

At St. Hyacinthe, the Donahue Corp. of Canada, has added to its mechanical installation and is gradually stepping up production. The Hump Hair Pin Co. of St. Hyacinthe reports steady production in addition to encouraging future prospects.

While adverse business conditions have affected the volume of sales through your 24 merchandise stores, no efforts are being spared in an endeavor to successfully promote this phase of your business. Plans are now in force which we feel should show an increasing improvement through outstanding values of quality merchandise which are being offered to our customers!

Necessary improvements to properties are regularly carried out and plants and equipment are being maintained in the best possible condition.

Orders have been issued for the construction of a sub-station and distribution system in South Stukely to serve this municipality. At St. Hilaire, a new sub-station and switchboard are being installed to take care of increased load. It might be mentioned that the switchboard here is the latest type of metal clad equipment. The St. Bruno system has been connected to our own transmission system.

SHAWINIGAN CUTS COMMON DIVIDEND TO $1 PER SHARE

Directors Emphasize Need of Conserving Cash Resources

From Our Own Correspondent

MONTREAL.—Expectations have been current for some time that Shawinigan Water and Power Co. would reduce the dividend on the common stock, but the action of the board in cutting the rate from $2 to $1 a share came somewhat as a surprise. It had been thought that a reduction of 50 cents a share would be made.

At the same time directors announced that net earnings for the first quarter of the year after operating expenses, taxes, exchange and other expenses, as well as fixed charges, were $848,001. General revenue during the period was $3,246,164 and operating expenses $1,409,516. This left a balance of $1,836,648 from which was deducted fixed charges of $988,647, leaving a surplus available for the common stock of $848,001. The latter is equivalent to approximately 38 cents a share on each of the 2,177,937 shares outstanding, but the point should not be overlooked that no provision has been made for depreciation and income tax.

In announcing the reduction in the dividend, the directors issued a statement, giving the reasons leading up to this action. Of particular interest was the announcement that of the recent issue of $6,000,000, 5-year 6 per cent secured notes, only $4,000,000 had been sold.

Following is a statement issued by J. E. Aldred, president:

"The directors deem it advisable to take this step for the following reasons:

1. The reduction in sales of excess and secondary power to the paper companies and other industries.
2. The reduction in dividends received from other companies, particularly Quebec Power Co.
3. Probable non-receipt of interest on bonds due from Shawinigan Chemicals, Ltd.
4. Large amounts payable for exchange on U. S. funds for bond interest.
5. Provision for largely increased taxes.

Have Sufficient Funds

"World wide conditions make financing at the present time most difficult and the maintenance of the company's resources is therefore essential in order to carry to an operating condition the development at Rapide Blanc. In February, 1932, the directors authorized the issue of $6,000,000 five year 6 per cent secured notes. Of this amount about $4,000,000 of the notes have been sold. This provides the company with sufficient funds to meet all capital commitments up to date and to carry on work which is essential this year. This enables the company to continue the employment of a considerable number of men occupied in this construction work, and to obtain the advantage of lower costs made possible by the present conditions.

"Every step possible has been taken to reduce the company's operating and other expenses. The directors are confident that with the return of more normal conditions the company's earnings will quickly reflect the improvement."

Pulp and Paper Industry

ST. LAWRENCE PAPER PROFITS ON LOW BASIS

Curtailment of Production Reflected in Income Last Year

From Our Own Correspondent

MONTREAL.—Drop in production from 95,566 tons in 1930 to 66,257 tons in 1931, is reflected in the earning power of St. Lawrence Paper Mills Co. and subsidiaries for the year ended December 31 last.

In that period the company had an operating profit of $427,452. Comparative figures for the preceding year are not available, but in the year ended June 30, 1930, St. Lawrence Paper Mills reported net earnings from operations of $1,389,496 after deduction of depletion and income tax, but before provision for depreciation.

Earned Surplus Down

From the profit reported last year was deducted $207,770 for depreciation and $185,780 for depletion, leaving a balance of $33,902 to cover preferred dividends of $106,875 paid on April 15, 1931. As a consequence the earned surplus was reduced from $174,517 to $101,544. Particulars of the income account for the past year follow:

	1931 $	Yr. ended June, 30, 1930 $
Net from oper.	427,452	1,389,496
Less: Depreciation	207,770	412,718
Depletion	185,780	......
	33,902	976,778
Less: Pfd. divid.	106,875	855,000
Surplus for period	*62,973	121,778
Brought forward	†169,123	199,444
Adjustments	5,394	......
Carried forward	101,544	321,222

*Deficit.
†Earned surplus at December 31, 1930.

At the end of 1931 St. Lawrence Paper Mills reported consolidated assets of $31,825,670. This compares with $32,035,668 on June 30, 1930. Fixed assets amount to $25,443,051 which shows relatively little change from that reported a year and a half previously. Deferred assets amount to $108,736, of which $36,390 represents balance unpaid on employees' stock investments and $72,335 accounts receivable payable over a period of years.

Investments in and advances to associated companies amount to $2,251,307, of which $2,150,000 is represented by holdings of the preferred stock of Lake St. John Power and Paper Co.

Current Assets $4,000,000

Current assets amount to $4,000,632, of which nearly 60 per cent represents inventories and advances for woods operations at cost.

Among liabilities, capital stock outstanding is shown at $26,346,825. This includes 142,500 shares of the 6 per cent cumulative preferred stock, less 244 shares cancelled for non-payment of calls, at $14,225,600 and 515,000 shares of no par value common stock, less 325 shares cancelled for non-payment of calls, shown at $12,121,225.

Current liabilities aggregate $1,750,026, including a secured bank loan of $1,108,000.

Depreciation reserves at $3,088,625 have been set up, while the surplus amounts to $640,133, representing an earned surplus of $101,544 and a surplus as at date of reorganization on May 8, 1928, of $538,589.

Newsprint Sales Are up Seasonally

From Our Own Correspondent

MONTREAL. — Sales of Canadian newsprint this month have shown a seasonal pick-up but the volume of business continues below last year's mark, which in turn was under that set up in 1929 and 1930.

Between March and April last year there was an increase of about 18,000 tons to a total of 205,752 tons for the month. The increase so far this month is understood not to be on as large a scale, while the total will likely be well under the 200,000 ton mark. It is interesting to note that shipments increased from 162,350 to 187,730 tons between February and March a year ago, while this year the advantage was from 150,951 to 163,806 tons.

BROMPTON PULP RECORDS DEFICIT FOR PAST YEAR

Smaller Business Volume Holds Down Trading Profits

From Our Own Correspondent

MONTREAL.—Consolidated income account of Brompton Pulp and Paper Co., controlled by St. Lawrence Corp., shows a deficit on last year's operations after taking care of depreciation and depletion charges, as well as a dividend of 25 cents a share on the common stock.

Net profit for the year was $174,321 against which there were depreciation and depletion charges totalling $194,565. Dividends paid on the common stock amounted to $75,000. A feature of the income statement, which appears hereunder, is the deduction of the McCrea-Wilson Lumber Co. a subsidiary, deficit of $229,534 from the earned surplus of $1,653,678 reported at the end of 1930.

	1931
Profit for year	$174,321
Less: Depreciation	183,514
Depletion	11,053
Surplus for period	*20,244
Less: Divd. of 25c. share	75,000
Balance	*95,244
Brought forward	1,653,678
Less: McCrea deficit	229,535
Carried forward	1,328,899

*Deficit.

Show New Holdings

Assets of Brompton and its subsidiaries at the end of last year totalled $22,348,455, of which fixed assets aggregated $18,068,775. Investments in associated companies are shown on the books at $301,337. This covers holdings in the Dominion Lime Co., Pyramid Paper Products, Claremont Railway Co. and other concerns.

Current assets amount to $3,893,930, including investments at cost, plus accrued interest, of $160,040. The latter item has an approximate market value of $150,720.

Bank Overdraft $162,456

On the liability side of the balance sheet, current liabilities totalled $480,966, including a bank overdraft of $162,456. The issued and outstanding capital stock covers 300,000 shares of no par value common, given a book value of $15,025,000. Bonds and mortgages of the McCrea-Wilson Lumber outstanding, principal and interest of which is guaranteed by Brompton, totalled $681,500.

Reserves totalled $4,473,439, of which $4,417,500 is credited to depreciation and $55,938 to depletion.

Capital surplus arising from consolidation aggregates $358,650 while the earned surplus amounts to $1,328,899.

Public Utility Earnings

Mexico Tramways and Subsidiaries

	1932 Pesos	1931 Pesos	Decr'se Pesos
Gross earn.	692,730	704,950	12,220
Oper. & deprec. expenses	851,520	825,430	†20,090
Net earnings.	*158,790	*120,480	38,310
Aggre. gross from Jan. 1	1,429,340	1,464,900	35,560
Aggre. net from Jan. 1.	*279,450	*239,190	40,260

Mexico Light and Power and Subsidiaries

	1932 Pesos	1931 Pesos	Decr'se Pesos
Gross earn.	2,112,420	2,021,870	†90,560
Oper. & deprec. expenses	1,260,760	1,039,480	†221,280
Net earnings	851,660	932,390	130,730
Aggre. gross from Jan. 1.	4,317,390	4,253,730	†63,660
Aggre. net from Jan. 1.	1,784,490	2,142,400	357,910

*Deficit.
†Increase.

Heavy increases in taxation have been imposed under recent legislation in Mexico, seriously affecting the earnings of the companies.

Southern Canada Power

March:	1932 $	1931 $	Decr'se $
Gross earn.	181,120	185,191	4,071
Oper. exp.	63,076	72,505	9,429
Net earn.	118,044	112,686	*5,358
6 Months:	1932 $	1931 $	Decr'se $
Gross earn.	1,167,410	1,215,274	47,864
Oper. exp.	427,691	471,588	43,897
Net earn.	739,719	743,686	3,967

*Increase.

Ottawa Valley Power Increase Capital Stock

From Our Own Correspondent

MONTREAL. — Supplementary letters patent have been issued to the Ottawa Valley Power Co. increasing the authorized capital of the company by 50,000 no par value common shares, bringing the authorized amount up to 100,000 shares. The additional shares are to be issued from time to time on such conditions and terms as the directors may decide.

Dunning Elected Director Howard Smith Paper Mills

From Our Own Correspondent

MONTREAL.—Annual meeting of Howard Smith Paper Mills was routine in character. Approximately 80 per cent of the stock was represented either in person or by proxy. Hon. Charles E. Dunning was elected to the board to replace the late J. A. Cameron.

St. Lawrence Corp. Output Off 25 Per Cent for 1931

Holding Company For Quebec Paper Operators Reports Earnings on Much Lower Basis Last Year

From Our Own Correspondent

MONTREAL. — Decline of approximately 25 per cent in production of newsprint is reflected in the operating profits of the St. Lawrence Corp. for 1931, which amounted to $1,171,738 compared to $2,759,874 in the preceding year. At the same time, however, the company has been able to strengthen its balance sheet position although bank loans are up nearly $1,000,000 to $2,477,956.

The consolidated profit and loss account for the last year shows that after writing off depreciation and depletion there remained a balance of $321,180 which was insufficient to take care of interest charges amounting to $504,405, leaving a deficit of $183,225. In the preceding year there was a surplus after fixed charges of $1,252,243. Dividends paid last year amounted to only $181,875, which brought the deficit for the year to $365,100. In 1930 dividends paid totalled $1,455,404, which created a deficit after all charges of $202,797.

Details of Income

Particulars of the profit and loss income account for the past two years follow:

	1931 $	1930 $
Oper. profit	1,171,738	2,759,874
Dep. & depletion	850,558	987,631
Balance	321,180	1,772,243
Interest	504,405	520,000
Net profit	■183,225	1,252,243
Dividends	181,875	1,455,404
Surplus	■365,100	■202,797
Prev. surplus	1,924,564	2,280,506
Balance	1,559,464	2,077,709
Adjustments	†229,534	‡153,145
Balance	1,329,930	1,924,564
*Adjustment	48,527	......
Surplus	1,378,457	1,924,564

■Debit balance.
†Deficit of McCrea-Wilson Lumber Co. Ltd., at Dec. 31, 1930.
‡Additional for Lake St. John Power and Paper depreciation reserve for 1929.
*Adjustment of $30,419 in surplus of previous year, plus $43,133 profit on redemption of bonds, less $25,052 appropriated to contingencies reserve.

Consolidated balance sheet at the end of 1931 showed assets of $69,196,215, compared with $68,080,743 at the end of the preceding year. The most notable changes among current assets are declines in cash on hand from $473,593 to $42,837.

Accounts receivable show an increase from $1,842,065 to $2,844,729. Inventories remain much the same at $6,690,596, while over $1,600,000 has been added to property account which now stands at $58,605,162. Interest in other companies has declined from $950,087 to $352,645.

There are a number of interesting changes among liabilities. Bank loans have increased from $1,446,378 to $2,477,956. The amount due on Lake St. John purchases, shown at $500,000 in 1930 report, has been wiped out. There was a reduction in the amount of Lake St. John bonds outstanding of $112,000 total now being $4,888,000. The amount of Lake St. John debentures outstanding has been reduced from $3,000,000 to $2,849,000.

In the previous statement, the funded debt of McCrea Wilson Lumber Co. amounting to $772,922, was shown as a contingent liability of the Brompton Pulp and Paper Co. It is now included in the balance sheet of St. Lawrence Corp. at $681,500.

The management of St. Lawrence Corp. are to be commended on the excellent summary of operations which appears in the president's remarks. Notable is data relating to production. The tabular matter shows that the group produced 206,161 tons in 1930 and 159,734 tons in 1931. The decline was accounted for by St. Lawrence Paper Mills and Brompton, Lake St. John showing an increase.

The remarks of Ernest Rossiter, president, to the shareholders of the company follow in part:

"In most cases the figures are self-explanatory. The comparative figures which follow, for the year 1930, shown in relation to the year 1931, are of special interest:

Newsprint paper produced, in tons.

Mills:	1930	1931
St. Lawrence	95,566.7	66,257.6
Brompton	55,856.4	36,076.8
Lake St. John	54,738.7	57,400.1
Total	206,161.8	159,734.5

Inventories in Dollars

	1930 $	1931 $
St. Lawrence	2,553,581.76	2,559,217.16
Brompton	2,443,749.98	2,530,134.22
Lake St. John	1,528,636.51	1,601,244.70
Total	6,526,238.25	6,690,596.08

Administration Expense

	1930 $	1931 $
St. Lawrence	347,127.86	296,353.65
Brompton	401,449.77	371,102.26
Lake St. John	250,272.21	192,662.17
Total	998,849.84	860,118.08

Net Current Position

	1930 $	1931 $
St. Lawrence	2,138,705.63	2,250,605.79
Brompton	3,371,258.02	3,412,964.48
Lake St. John	578,607.07	334,383.26
	6,083,570.72	5,997,053.53
Less: St. Lawrence Corp. Ltd.	98,900.84	84,671.05
Total	5,984,669.88	5,913,282.48

"It will be evident from these figures that there was a considerable decrease in the operations of the mills for the year 1931 as compared with the year 1930, and as a consequence the inventories have not been increased materially. During the year the prices for all products were materially reduced.

"Your company has maintained its mills in its usual careful manner and is fully prepared to place more machines in operation at a moment's notice when an increase in the consumption of paper would demand.

"As will be seen, during the year your directors have been enabled to reduce the administration expense of your company 14 per cent below that of the previous year. The net surrent position has remained practically the same.

"Reference is made by the company's auditors to negotiations existing at present, covering the acquirement of additional timberlands in the Lake St. John Company. These negotiations are still being carried on and there is nothing further to report since December 31, 1931."

Winnipeg Electric Bill Before Manitoba House

From Our Own Correspondent

WINNIPEG.—Bill of the Winnipeg Electric company for altering the terms of its contract with the city of Winnipeg, is now before the legislature. It seeks to relieve the company of the five per cent tax on gross earnings, and of charges for paving between tracks, and for snow removal. The bill's sponsors declared that the company was desperately in need of the relief sought, and could not long continue to give service if the present state of affairs persisted. To meet the argument of the sanctity of the contract, Mr. McKinnell declared that the contract had already been abrogated by the fact that at the instance of the city operation of the company had been brought under the public utility board.

Vigor is being lent to the presentation of the company's case by the formation of a committee of Winnipeg business men, numbering 24 to begin with, and seeking accessions, to support the bill before the legislature. Leaving the merits of the case aside, passage of the bill would appear to be politically out of the question, with an election due within a few months.

The real point of interest is probably whether the company will succeed in getting a discussion of the merits of its application before a committee of the legislature. The opposition on behalf of the Winnipeg city council is likely to take the line that the matter is not one for the legislature at all, but one to be settled directly between the city and the company.

British Tobacco Growers Appoint New President

Rt. Hon. Ian Macpherson has been elected president of the Tobacco Federation of the British Empire, to succeed The Rt. Hon. Walter Elliot who resigned on being appointed Financial Secretary to the treasury.

The Federation consists of producers' associations in the British Empire overseas, and aims to secure a higher preference for Empire tobacco. To this end it is framing proposals which will aid the manufacturers to increase their purchases of Empire leaf.

Edmonton Firm Builds $100,000 Store Addition

An addition to cost $100,000 will be made to the C. Woodward Ltd., departmental store in Edmonton this year. Contract for the construction has been let and the steel for the job has been ordered.

The new structure will be 100 ft. in depth and will be built on a frontage of 75 ft. on 100A St. In order to erect the building it will be necessary to wreck old buildings, in the Woodward block, which now occupy the site.

In addition to this extension the Woodward firm has some $700,000 invested in its present store and property in Edmonton.

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News of Investment Markets

WEAK MARKETS STOP FINANCING TEMPORARILY

Ottawa, Hamilton, Quebec Issues Await Better Conditions

The Canadian bond market is not yet in a position to make new offerings of provincial and municipal securities feasible despite some improvement in prices during the week ended April 16. The market remains narrow with but small volume of turnover while prices fluctuate rather widely on comparatively small orders. There is no indication that any new financing of major proportions such as the Manitoba issue can take place in the immediate future while borrowers such as Ottawa, Hamilton and Quebec City await better markets.

Ottawa has an issue of some $3,200,000; Hamilton has $2,500,000 of debentures for sale and Quebec will float a loan of some $3,000,000 of which $1,701,200 will be used to cover expenditures under Federal unemployment relief plans and $2,017,000 will go to meet ordinary expenditures. The Quebec loan will be in short term debentures carrying a 6½ per cent coupon according to reports. Little attention is being given among bond dealers to the possibility of Federal financing in the next few months. Possibility of a Dominion flotation before next fall seems remote at the present time although should a strong market develop during the next few months the Dominion would probably take advantage of it.

The Township of York, Ont., paid interest coupons due April 1 in United States funds to bona fide investors resident in the United States, but Canadian investors received payment in Canadian funds only. Legally, the township is stated to be within its rights. Several municipal borrowers have taken similar action in recent months and, despite the fact that bond dealers and investors hold that such action constitutes a default in cases where payment in either United States or Canadian funds at option of the bondholder, it is regarded as probable that other municipalities will take such action in forthcoming months in order to save exchange and thereby relieve strain on treasuries that are barely more than adequate to meet ordinary expenditures.

A number of the smaller municipalities have financed in recent weeks either through local offerings of securities or by giving an option to dealers. As indicated in The Financial Post last week the banks have extended current loans to municipalities to the extent of $139,291,699 at the end of February. This figure is far in excess of previous monthly totals and while it seems probable that any liquidation may be offset by other loans and reduction in the total will only be made over an extended period.

Insurance Exchange Meets Interest Only

Holders of the 6½ per cent first mortgage serial bonds of Insurance Exchange Corp., which owns the Montreal Insurance Exchange building in Montreal, have been notified that although net earnings from the building are sufficient to meet interest charges by a fair margin it is not possible to meet annual requirement for the reduction of principal. Bondholders are asked not to enforce the security and take proceedings.

It is proposed that all real estate taxes will be paid up to date and that net income of the property will be paid to the fiscal agent monthly and applied first to payment of bond interest and then toward retirement of principal amounts maturing annually. It is reported that action may be taken by bondholders to secure representation in the management of the company and to obtain the appointment of a Canadian trust company as manager of the property

Bond Tenders

April 25, Municipality of Deleage—$4,000, 5½ per cent, 20 year, serial bonds. J. A. Lafrance, sec.-treas.

April 25, Orillia—$4,100, 5 per cent, 30-instalment sewer extension debentures; $1,-825, 5 per cent 15-installment, curb and gutter debentures. Principal and interest payable at par at Orillia and Toronto. Carrie M. Johnston treas.

May 2, Town of Greenfield Park, Que.—$46,000, 6 per cent, 10 year serial bonds, dated May 1, 1932, payable at Banque Can. Nationale in St. Lambert or Montreal. E. Allwright, sec.-treas.

Bond Sales

GUELPH, ONT.

Wood, Gundy & Co. has been awarded $50,000 5½% debentures of Guelph, Ont., due May 1, 1942, at 95.31; cost basis to the city of 6.13% with an option on the remaining $145,000 of the total issue of $195,000. Tenders submitted for the issue were as follows:

Wood, Gundy & Co.	95.30
Cochrane, Murray & Co. option at	95.30
Dominion Securities option on all	95.079
option on part	95.279
Griffis, Fairclough, Norsworthy for $100,000 option for rest	94.57
Bell, Gouinlock & Co., Fry, Mills, Spence & Co. option at	94.50
A. E. Ames & Co., option at	94.25
Harris, McKeen & Co., option at	94.000
Bid at	92.51
Dyment, Anderson & Co.	94.41

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Simpson's Preferred Passes May 1 Dividend

Dividend due on May 1 on $11,250,000 Simpson's Ltd. 6½ per cent preference stock has been passed by the directors. This was not unexpected as the company's earnings in the year ended February 3, 1932, amounted to only $5.52 a share on 112,500 shares outstanding. Amount required for these dividends in 1931 was $743,305.

The initial dividend on this stock was paid on November 1, 1929. By passing the class "A" and the 6½ per cent preferred dividends, the directors have relieved the company during 1932 of the necessity of making payments of $863,305 which were paid in 1931.

MANITOBA SHOWS POOL OBLIGATION

Issues $3,300,000 of Debenture; Hopes to Get $2,100,000 Back

From Our Own Correspondent

WINNIPEG.—The provincial government, in introducing bills into the legislature in connection with the settlement of its guarantees on wheat pool account, disclosed for the first time the exact amount of the liability. This, according to statement made by the attorney general, was $3,374,939, which was paid by issuing to the lending banks provincial government debentures for that amount, bearing interest at the rate of 4.65 per cent. Under the arrangement it has made with the Manitoba Pool Elevators, the province looks to recover $2,100,000 over a period of twenty years, as provincial elevator associations pay installments on the purchase price of their elevators.

The method by which Manitoba Pool Elevators was financed for the current year with the joint assistance of the Dominion and Provincial governments was also disclosed. The Dominion government had offered to guarantee a line of credit with the banks amounting to $1.500,000, provided that the company was able to deposit $300,000 with the banks. The company had no resources of its own, but in a trust fund there was an amount of $361,000, representing balances standing to the credit of local elevator associations against the purchase price of their elevators. The government had authorized the withdrawal of $300,000 of this money, to be used as working capital instead of in paying off capital liabilities. This arrangement is to be sanctioned by the bill introduced, as is also an agreement between the government and Manitoba Elevators, under which the latter company, with the government owning most of its capital stock is to continue the operation of pool elevators while they are to be gradually paid for and ultimately acquired by local associations.

Provision is also to be made, at the government's expense for the payment of about $25,000 to certain pool members in respect to the crop of 1928. A balance of a few cents a bushel remained undistributed by the Central Selling Agency of the proceeds of that crop, and was absorbed in connection with losses of 1929. Pool members who were "overpaid" in 1929 are conceived to have no claim in respect to this surplus, but pool members who delivered grain in 1928 and 1929 could make claim against the Manitoba Pool. In similar circumstances the Alberta Pool found that it had money in its own possession to satisfy these claims. The Saskatchewan Pool has just obtained $250,-000 on loan from the Saskatchewan government for a similar purpose. Neither expedient being possible in Manitoba, the government proposes to find the money.

B. C. PULP & PAPER BONDHOLDERS MEET

Company Would Postpone Interest, Sinking Fund, on 7 p.c. Bonds

Holders of the 7 per cent general mortgage bonds of British Columbia Pulp & Paper Co. will meet in Montreal on May 16, 1932, to consider change in the trust deed securing the bonds which would permit the company to postpone payment of interest due May 1, 1932, to November 1, 1933, inclusive, and the relieving of the company of sinking fund payments due up to November 1, 1935. Interest payments to be postponed shall be payable with interest at 7 per cent on November 1, 1934, the company retaining the right to pay off coupons at any time on 30 days' notice.

Bondholders will also be asked to sanction changes in the trust deed to give effect to such modification of bondholders' rights against the company and to authorize the company and the Royal Trust Co. as trustee to do all acts necessary for the above changes.

The company has $1,445,000 of 7 per cent general mortgage bonds outstanding and a prior issue of $3,321,-000 6 per cent first mortgage bonds. Interest charges totalled $310,123 in 1931 while net earnings available for interest before depreciation amounted to $363,446. As a result of 1931 operations surplus was wiped out and a deficit of $142,348 was shown in the balance sheet. Working capital was shown at $1,002,033 at December 31, 1931, with cash and Dominion of Canada bonds more than sufficient to meet current liabilities.

EASTERN THEATRES EARNINGS IMPROVE

Adds to Surplus; Working Capital is Increased

Eastern Theatres Ltd. had net earnings of $290,008 in the 69 weeks ended December 24, 1931, compared with $114,651, in the preceding 12 months. After provision for all changes and preferred dividends, earnings amounted to $4.21 per share on 32,000 shares of $25 par value common outstanding in contrast to 58 cents per share in the preceding period. Increase in net profits was shown despite increased provision for depreciation and income tax and the writing down of bonds to market value.

Working capital position was improved with current assets up to $198,556, with current liabilities somewhat lower at $41,687. Ratio of current assets to current liabilities was 4.76 to 1 as compared with 4.4 to 1 at the end of the preceding period. Included in current assets is cash at $31,701, Dominion of Canada bonds at market value of $111,562 and C. N. R. bonds at market of $48,625. Current liabilities include $16,296 reserve for income tax and $17,500 preferred dividends payable.

Fixed assets include building and equipment at $835,311 which is subject to depreciation reserve of $490,-562. Land is carried at $207,208 and goodwill, franchises, etc., at $800,000. The only non-current liability is mortgage payable amounting to $41,000. There are 5,000 shares of 7 per cent preferred stock outstanding and 32,-000 shares of non par value common stock. Surplus carried forward amounts to $173,665 as against $113,-340 at the end of the previous period. The company owns a large theatre in Toronto. The income and surplus accounts for the past two fiscal periods are as follows:

INCOME AND SURPLUS ACCOUNT
Periods Ended

	*Dec. 24 1931 $	Aug. 29 1930 $
Net earnings	290,008	114,851
Less: Deprec.	59,938	38,425
Prop. of sound equip. license & instal. cost w/o	11,019	17,003
Inc. tax provision	16,296	5,622
W/o bonds	15,552	....
Net profit	187,203	53,801
Less appropriations:		
Pref. dividends	52,500	35,000
Com. dividends	80,000	64,000
Surplus for year	54,703	†45,199
Add: Prev. surplus	113,340	327,151
Less: Inc. tax adj.	....	376
Comm. on sale of pref. w/o	....	50,000
Addl. deprec. 1920-29	....	118,236
Add:		
Tax adj. prior year	5,622	....
Balance forward	173,665	113,340

†Deficit.
*For 69 weeks.

MANSFIELD PROFIT WAS LOWER IN 1931

Preferred Earned $8.55 Working Capital Was Reduced

Mansfield Theatre Co., operating Loew's Theatre, Montreal, had net earnings of $105,446 in the 69 weeks ended December 31, 1931, as against $147,897 in the 12 months ended August 30, 1930. Earnings amounted to $8.55 on the 7,500 shares outstanding of 7 per cent preference stock and during the period $10.50 was paid in dividends. In the previous year, the company earned $13.65 per share on the preference stock and $4.99 per share on the common stock. Famous Players Canadian Corp. controls the company and also has a substantial interest in the preference stock. Working capital position of Mansfield Theatres is substantially reduced but the ratio of current assets to current liabilities is 4.81 with current assets at $154,128 as against current liabilities of $32,018.

Included in current assets is cash at $42,467 and Dominion bonds at $110,687. Chief current liability is $26,250 in dividends payable. Fixed assets of the company are valued at $730,569 of which $454,000 is in land and $276,569 is in building, equipment, etc., after reserve. Goodwill, franchise, etc. are carried at $1,111,-016.

The income and surplus account of the company for the past fiscal period is as follows:

INCOME AND SURPLUS ACCOUNT
For Years Ended

	Dec. 26 1931 $	Aug. 30 1930 $
Net earnings	*105,445	147,897
Less: Deprec.	19,650	17,093
Prop. of sound equip., license & instal. costs w/o	17,532	21,527
Prov. for inc. tax	4,105	6,858
Net profit	64,158	102,419
Less appropriations:		
Pref. divds.	78,750	52,500
Surplus for year	†14,592	49,919
Add: Prev. surp.	239,977	228,095
Less: Adj. of depr. res. appl. to prev. years	....	38,036
Bal. carried forward	225,385	239,978

*For 69 weeks. †Deficit.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Brazeau Collieries	*7%	15-yr.	July 1	...
Cascade Water Power	4½%	1940	†May 1	100
Imperial Realty	*6%	1945	July 1	103
Wabasso Cotton	§6%	1947	June 1	105

†Or before.
*Called in part.
§$10,000.

WHEAT MARKET FAILS TO REACT TO GOOD NEWS

Apathy of Buyers Continues in Spite of Big Crop Bullish News

From Our Own Correspondent

WINNIPEG.—The failure of the wheat market to make substantial advances under conditions which in earlier years would have been expected to produce almost sensational price advances has been a disappointment to many observers. The market has displayed a high degree of insensitiveness, which had conditions pointed in the opposite direction would have been described as stability.

Condition of the United States winter wheat crop has continued to deteriorate during the past two weeks, and some alarm begins to be felt as to the spring wheat production of the Northern States. Reports of Russian difficulties in seeding a satisfactory acreage seem to have been completely confirmed, the need of continental Europe for extensive importation before the end of the current crop year has become apparent. French and Italian quotas for imports have been repeatedly increased. It is believed that Germany will import several million bushels of wheat for chicken feed duty free, and reduction of ordinary Dutch is spoken of as a possibility. Last year's short production of rye begins to make itself felt in comparative scarcity.

No One in Hurry to Buy

It is quite evident that world wheat production in 1931 fell short of a full year's production, and it is highly likely that a similar or intensified condition will occur in 1932. In addition the long awaited increase in exports from North America, with the drying up of Black Sea shipments, and a slackening of pressure from the Southern Hemisphere has begun. But the market is sluggish because neither millers abroad nor traders on this continent feel impelled to buy.

European buyers hesitate to make forward committments because of financial conditions, because there are still very large supplies of wheat in sight in North America, because of the possibility of lessened import duties, and because of a feeling, probably unwarranted, but encouraged by unwise utterances, that the farm board may shortly be moved to press export sales in large quantity. Traders on this continent are still nervous about entering a market which is so much dominated by a non-commercial force such as the farm board, the actions and utterances of which are unpredictable. And in addition weakness has been contributed by the state of the stock market.

The approach of the opening of Lake Navigation has not brought any rush of business, although shipments from the head of the Lakes in considerable quantity after the first of May are hoped for by the trade.

Island Power Offer Meets Good Reception

From Our Own Correspondent

MONTREAL.—Offer made by Nesbitt, Thomson and Co. to shareholders of Montreal Island Power is understood to have met with a satisfactory reception. Common shareholders were offered one share of Montreal Power in exchange for three shares of Montreal Island, a transaction which places a nominal value of $12 a share on their stock at pegged prices for Montreal Power shares.

Municipal Board Will Meet May 4

Appointment of the third member of the new Ontario Municipal Board is expected within a few days with the probability that H. L. Cummings, present municipal law clerk, will act with J. A. Ellis and C. R. McKeown, K.C. The board will meet in the Border Cities on May 4 to hear applications to be made by the six defaulting municipalities.

Appointment of a committee of five supervisors to take control of each of these municipalities will follow. It is expected that the chairman appointed will act on each committee and it is understood that the appointee will be widely known for his knowledge of municipal finances. The municipality concerned nominates two representatives to the committee and creditors will also have two representatives, one of whom, it is expected, will represent the banks and the other the bondholders.

British American Oil Sales Show Increase

British American Oil Company's business in 1932 to date shows an appreciable increase over the totals in the same period of 1931, according to a statement by A. L. Ellsworth, president of British American Oil Co.

Mr. Ellsworth also said that there is no foundation for current talk that there may be financing by the company to pay off bank loans incurred in 1931 while making important expansion by building a refinery in Montreal, adding to its fleet of oil tankers and bringing in important production in Texas and Oklahoma. By reason of that expansion, Mr. Ellsworth stated, costs of the company had been cut materially.

FERGUSON GIVES HIS VIEWPOINT ON EMPIRE MEET

Also Warns Canadians of Blunders in U. K. Field

That Canadian manufacturers and producers are making costly and unfortunate blunders which are a great handicap to successful trade with Great Britain, was one of the messages brought by High Commissioner G. Howard Ferguson when he addressed members of the Empire Club at Toronto this week.

The High Commissioner also drew attention to the very real change which he believed had taken place in Great Britain's attitude towards inter-empire trade in recent months and which augured well for the success of the Empire conference if Canada would approach the conference in a broad, co-operative spirit. He warned Canadians against expecting too much of the conference in regard to specific items of trade.

His remarks in part were as follows:

"I thought that I might tell you something of the impressions I have gained during my sojourn in Great Britain and of the opportunities I have had of observing closely the British people, the British outlook and the British attitude toward the Dominions. You know we have always shared the view—at least I had and I think most of you have—that in merchandising the Englishman is a sort of stupid fellow, and we are always complaining when he comes here to sell goods that he doesn't sell or bring us what we want to buy or in the form in which we want to purchase and there is a good deal of ground for that complaint. One must remember that for centuries they have pursued one method of operation and, one might say, almost one type of product. But I have learned since I went to England that we are just as bad in that respect as the Englishman.

Canada Making Big Mistakes

"We are sending goods of all kinds, products of this country, to England, expecting the British people to clamor for them and we don't serve them up in the form they want them.

"The three great defects in connection with our trade with Great Britain and which have been existent for some time are, as I have said, the lack of appreciation of the consumer's taste and his desire to have the article given to him in the form in which he wants it. The second is a complete want of standardization of quality of products. New Zealand, South Africa, Australia—and California, if you will—almost every country shipping goods to England, except Canada, has a standard and a brand that spells quality and we lack in that respect. Then, the third, and, I think, perhaps the most lamentable weakness of the whole situation, is our lack of continuity of supply, not marketing our products over and over and over again.

Change in Attitude

"As to the Empire Conference, I venture to say that those of you who have occasion to visit the Old Land periodically over a number of years will be more impressed with the complete change of British sentiment toward closer Dominion co-operation, the new outlook on the Empire's future that has taken place there within the past very few years and particularly within the past year or two. So we have everything to hope for and we should be inspired with confidence when we get together and discuss in a frank, friendly, broad spirit the problems that have to be dealt with. We should be able to reach conclusions that will be of great value to us as well as the Empire as a whole.

"Another thing that has impressed me very greatly is the fact that the British people today and the British industrialists and business men recognize that the Dominions are entitled to develop their own industries. The day when we were looked upon as colonies from which they drew natural wealth and raw material to fabricate within their own island is all past. They recognize with great seriousness that they will never build a great Empire unless they give all the same chance, and Canada, Australia, and other Dominions are entitled and should be encouraged in the building up of strong industry all over the country.

"There has been a remarkable change in that respect and when we get together, having common ideas on these broad plains, I can't for the life of me see why we can't make very definite advances toward the objective we all have in mind.

Don't Expect Too Much

"But I should like to say this today: Don't let us expect too much at this Conference. Think of the enormous extent of the problems and the variety of its factors. It is utterly unthinkable that you can sit down in six or eight weeks and frame a tariff or reciprocal relationship that is going to cover every item handled by all these various Dominions and the British Isles herself. It can't be done and if you start to do that sort of thing you might better never have a Conference. It is sure to break down.

"I think from what I gather from my discussions with people over there, they hope they will lay down some broad fundamental principles, that we may be able to deal with certain important items. You know that 85 per cent of our trade is made up of about 15 items and if we can deal with many of those—lay the fundamentals upon which we can build as time goes on, because this is only the first conference of this kind—this is only the first that is going to succeed and we must go on periodically holding these Imperial Conferences, if we expect in the end to get the maximum of success and advantage out of trade relations within the Empire."

OBJECTIONS RAISED TO TELEPHONE TAX

Provinces Claim Right to Levy Taxes on Messages

A tax of five cents will be imposed on every cable, telegraph, radio, and long-distance telephone message originating in Canada for which a charge of more than 15 cents is made, excepting press despatches, under the provisions of the Rhodes budget. This tax will be paid by the sender of the message and therefore will be collected by the telephone and telegraph companies for the government at no expense to the latter.

Protests against this tax, particularly in connection with the levy on telephone messages, have been registered at Ottawa by some provincial governments on the ground that it invades, at least partially, a field of taxation belonging to them. However a similar tax was levied successfully during the war by the Dominion so that the present complaints may not have much weight.

Manitoba is objecting to the tax because of the adverse effect that it will have on the provincial telephone system which, like other industries, has already suffered substantial losses in revenue. The province claims that 60 per cent of the long distance revenue of the system originates from calls within the boundaries of the province, and that the Dominion has no right to tax the provincial telephone system which is said not to be operated for revenue purposes.

It is believed that this tax will be particularly expensive for those who are in the grain trade because of the large number of such messages exchanged in connection with shipments, cargoes, vessels and transactions. Despite the exemption of press despatches, it will also cost the press large sums because many messages will not be included in the exemption.

Imposition of the tax of 10 cents per seat for chairs in Pullman and chair cars may result in increased popularity of the common day coach. Purchasers of sleeping accommodation on railways in Canada will pay a tax of 10 per cent of the cost of such accommodation, provided that in no case shall the tax be less than 25 cents. These taxes are apparently in the nature of luxury taxes and are not intended to penalize the railroads although they may have that effect.

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year end	Net income 1931 $	Net income 1930 $	Common earnings 1931 $	Common earnings 1930 $	Curr. divd. $	Balance car. fwd. 1931 $	Balance car. fwd. 1930 $	Mkt.	Mkt. times earn.	Yield %
Hamilton Un. Theatres	Dec. 26	*79,628	70,553	6.22	0.32	....	68,830	60,398	2	9.1	...
Eastern Theatres	Dec. 26	*187,203	53,801	4.21	0.58	2	173,665	113,340	..	..	...
Mansfield Theatres	Dec. 26	*64,158	102,419	....	4.99	...	225,385	239,978	..	..	...
Famous Players Canadian Corp.	Dec. 26	823,106	1,906,255	*2.17	5.03	2.00	3,613,535	3,217,681	..	..	...
Ford Motor	Dec. 31	‡1,384,757	3,157,877	....	1.90	....	24,764,262	28,436,965	9	..	...
Can. Dredge & Dock	Jan. 31	153,663	352,077	1.60	3.74	....	546,562	618,952	12½	..	...
Ontario Silknit	Dec. 31	†95,219	49,622	0.62	....	....	53,646	112,213	..	..	...
*For 69 weeks. ‡Net loss. †Before write-offs on subsidiary.											
Lake St. John Power	......	‡196,886	....	....	..	...	x51,987	101,764	....	..	...
Aluminium, Ltd.	Dec. 31	‡868,874	968,568	....	0.33	...	1,110,027	3,102,960	....	..	...
Regent Knitting	Dec. 31	‡131,605	‡101,711	....	..	...	288,845	412,794	1	..	...
Bathurst Power & Pap.	Dec. 31	‡201,565	73,082	....	..	...	x40,860	181,000	2½	..	...
St. Lawrence Corp.	Dec 31	‡183,225	1,252,243	....	..	...	1,378,457	1,924,564	.55	..	...
Dominion Steel & Coal	Dec. 31	‡572,129	858,433	....	1.02	...	305,969	858,433	1½	..	...
Dominion Coal	Dec. 31	‡1,223,071	149,424	....	..	...	153,569	1,069,502	....	..	...
St. Lawrence Paper	Dec. 31	33,902	976,778	....	0.24	...	101,544	321,222	....	..	...
Brompton Pulp & Pap.	Dec. 31	‡20,244	....	....	..	...	1,328,899	1,653,678	....	..	...

x Deficit.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	—Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Belleville, Ont.	Mar.	Harris, McKeen & Co.	4½%	1951	$80,800	86.00	6.45%
			4½%	1961	55,100		
			5%	1961	34,329		
			5%	1951	6,452		
Belleville, Ont.	Mar.	Gairdner & Co.	4½%	1961	84,900	86.17	6.52%
			4½%	1951	49,500		
			5%	1961	5,466		
Trail, B.C.	Apr.	McDermid, Miller & McDermid, Vancouver.	5%	15-yr.	24,000	*85.76	*6.50%
Sombra, Ont.	Mar.	Locally	...	....	12,000	.....	......
Guelph, Ont.	Apr.	Wood, Gundy & Co.	5½%	1942	†50,000	95.31	6.13%
Newmarket, Ont.	Apr.	Bank of Toronto	6%	18-yr. ser.	36,000	96.85	6.43%
Pointe Claire, Que.	Apr.	Dominion Securities	6%	1933-39	16,000	97.10	6.84%
Niagara Falls, Ont.	Apr.	Harris, McKeen & Co.	6%	15-yr.	100,721	*99.25	......

*Offering price.
†With option on $145,000.

INVESTMENT SECURITIES

The National City Company Limited

360 St. James St. MONTREAL — 320 Bay Street TORONTO

Advisory Board: Sir Charles B. Gordon, G.B.E.; Sir John Aird; W. A. Black; A. J. Brown, K.C.; Wilmot L. Matthews; F. E. Meredith, K.C.; Lt.-Col. Herbert Molson, C.M.G., M.C.; W. N. Tilley, K.C.; The Hon. J. M. Wilson

600

Atlantic Sugar Refineries LIMITED

Lantic Sugar

General Offices
485 McGILL STREET
MONTREAL

Refineries - Saint John, N. B.

Woods Manufacturing Company, Limited

Jute and Cotton Bags
Hessians, Buckrams
Paddings and Twine
Tents
Flags
Tarpaulins
Clothing and Cotton Fabrics

Factories at MONTREAL, TORONTO, OTTAWA, WINNIPEG, WELLAND
Head Office MONTREAL

Steel Plate Construction
ERECTED ANYWHERE

THE TORONTO IRON WORKS LIMITED

HEAD OFFICE ROYAL BANK BLDG. — WORKS EASTERN AVENUE
MONTREAL: NEW BIRKS BLDG.

Massey-Harris
announces
10% DISCOUNT
OFF PAYMENTS
On New Implement Purchases
also on all Existing Implement Debts
Paid prior to November 30th, 1932

Realizing the burden placed upon Canadian farmers by the drastic depreciation in produce prices, and with a desire to assist Canadian agriculture to resume its forward progress once more, Massey-Harris Company Limited announces a discount of 10% off present farmer implement debts and accrued interest on the same; and a discount 10% off on all purchases of Massey-Harris implements from now until the end of the present crop year, November 30th, 1932, upon the following conditions:

PAST DUE NOTES and Interest Thereon:
10% discount will be given on all past due notes and interest thereon if paid on dates set by branch offices, giving due consideration to local marketing conditions in each district.

Current Maturing Notes and Interest Thereon:
10% discount will be given on notes and interest thereon maturing this year between present date and November 30th, 1932, if paid within ten days of due date.

Future Maturing Notes and Interest Thereon:
10% discount will be given on all notes and interest thereon maturing on and after December 1st, 1932, if paid on or before November 30th, 1932.

NEW SALES
10% discount will be given on all implement sales up to November 30th, 1932, as follows:

Cash Sales
On cash sales a 10% discount from present cash prices.

Time Sales
(a) 10% discount on cash payments at time of delivery.
(b) 10% discount on notes and interest thereon maturing up to November 30th, 1932, if paid within ten days of due date.
(c) 10% discount on notes and interest thereon maturing on and after December 1st, 1932, if paid on or before November 30th, 1932.

The company realizes that this step is probably unparalleled in the history of Canadian business. It entails a wiping out of ten per cent of principal and interest on many implements sold even before the present depression.

To the Canadian farmer this new discount policy means much in dollars and cents. It means that the Massey-Harris Company is sharing with Canadian farmers the loss they are suffering from depreciated prices. It is believed that this step will be helpful in assisting Canadian agriculture out of the temporary set-back which it is now undergoing, and starting this great basic Canadian industry on the upgrade to more prosperous times.

This is a sincere endeavor to improve conditions for Canadian farmers, Canadian workmen, the Company and our Common Country.

Massey-Harris Company Limited
Established 1847
TORONTO, MONTREAL, MONCTON, WINNIPEG, BRANDON, REGINA, SASKATOON, SWIFT CURRENT, YORKTON, CALGARY, EDMONTON, VANCOUVER

THE FINANCIAL POST

Member Audit Bureau of Circulations

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TORONTO, APRIL 23, 1932

CANADIAN BANKS SHOULD KEEP PUBLIC INFORMED

WITH greater assurance than should properly accompany a panacea for the complex economic problems that beset the world, the Progressive leader in the House of Commons urges the extinction by taxation of all large incomes in Canada and the inflation of currency as the road to recovery. The political leader who can present such a programme for Canada, does not find it difficult to assert that the banks of Canada are not administering the nation's financial resources for the benefit of the people.

Mr. Gardiner has made his charges against the banks and others among his small band of faithful and sincere devoted followers have, on more than one occasion, said similar things, seldom sotto voce, almost always with considerable amplification. Unfriendly criticism of the banks of Canada is not merely a sign of the times, a symptom of economic crisis. Even in our most prosperous days the banks were always under fire from some quarter, responsible to at least some portion of the Canadian body politic. With the Bank Act due for revision in 1933 the attacks upon the present system may be expected to gain in force and volume and to win an increasing total of listeners and believers.

What, then, are the banks going to do about it? It will not be sufficient for them to rest upon an inward sense of grace and a personal knowledge of their achievements. They must tell their story to the public, with dignity and sincerity as befits their position, but with clarity and vigor as befits the need for maintaining confidence in our sound financial institutions.

Publicity may be abhorrent in principle to Canadian banking leaders but this is a much publicized world and those who are the victims of publicity must fight fire with fire. The average man in Canada dislikes making up his mind with only one side of a story before him but few people have either the inclination or the facilities to search out the other side of a story that may be presented to them with great éclat by unilateral propagandists.

There is more than the selfish interests of the banks themselves at stake. The good weal of the people of Canada depends in no small measure upon the character of our financial institutions and practices. Those institutions and practices must progressively grow and change as the country grows and changes but the development should take place in an atmosphere of public understanding that will permit the ripe experience of the past to receive its proper consideration along with the less empirical theories of the zealous reformer.

The banks should tell their story and tell it plainly and fully.

THORNTON'S SALARY

THE public was no doubt very much surprised to discover that Sir Henry Thornton receives salaries and perquisites from Canadian National Railway units totalling $149,000 a year. There was always an impression abroad that Sir Henry's contract provided for a much smaller salary than that. The only figure ever given the public was $75,000. People generally were not only surprised but somewhat shocked to discover that Sir Henry was given a free house at a cost to the road in excess of $15,000 a year. And last year it will be remembered it came out that Sir Henry had been voted a $30,000 a year pension, which was, however, cancelled when popular rumblings were heard.

The man on the street is wondering if the whole of the Canadian National Railways is run on a similar scale. If such is the case the reason for a large part of the $99,000,000 deficit of last year is not hard to find.

What Sir Henry's salary and perquisites should amount to The Financial Post does not attempt to say. Most people would be willing to grant Sir Henry Thornton a salary of $5,000,000 or $10,000,000 a year if he were able to reduce the Canadian National Railway deficit to zero. The chairman of the Canadian National Railways is certainly worthy of being paid for the results he achieves. But the Canadian National cost the taxpayers of Canada many millions of dollars more in actual out of pocket expense last year than it did in the year before Sir Henry assumed charge, and it is this situation that is bound to lead the average man to question the justice of the salary and perquisites of $149,000 plus.

THOSE ARGUMENTS FOR NATIONAL RADIO

WHAT is the real argument for a national broadcasting system? So far, four distinct arguments have been presented. First, it is felt that more Canadian broadcasting would provide more work for Canadian musicians and artists? Secondly, it is felt that it is bad business for Canadian stations to re-broadcast American programmes. Thirdly, it is stated that there is too much advertising on the air. Fourthly, it is stated that there is too much vulgarity and cheap prattle of one kind and another being broadcast.

It is foolish to assume that it is necessary to set up another branch of our already burdensome bureaucracy to meet any of these conditions.

If it is desired to prevent Canadian stations from re-broadcasting American programmes in order to give Canadian artists greater opportunity and to reduce the volume of American sentiment or advertising going out over Canadian wave channels it would be a simple matter to ban the practice or better still to impose a customs tariff on such programmes. It might, for example, be at the rate of one cent per watt per hour so that CKGW using 5,000 watts to re-broadcast a one-hour American programme would pay a tax of $50 for the privilege.

On the third point, of the excessive use of direct advertising, that is a matter that the director of radio already has largely in his control. He has the privilege of cancelling the license of any station that misuses its wave band. It is admittedly difficult, however, for a government official to rule arbitrarily what is a proper amount of advertising and what is not. It should not be forgotten that the radio listener can always punish the offensive broadcaster by the simple process of dialing out his programme. Any excesses will always cure themselves. No advertiser is going to spend thousands of dollars on a radio programme just to make bad friends for himself. Bill posters used to put hideous boards at random. When they discovered that people would not excuse an offense to public decency they learned to be more circumspect.

Is there too much vulgarity on the air? Is there more vulgarity on the air than there is in the comic strips and sex stories of some daily newspapers? Vulgarity, some one has remarked, is the other fellow's actions. We doubt if a government bureau can provide greater mental and spiritual stimulus than is provided by many of the strikingly fine programmes now available. If it is the intention that the government should make a highbrow out of the air the scheme is doomed to failure. Public tastes are variable and incapable of exact analysis even by government officials. And in any event no action that can be taken by any national broadcasting department can put up a barrier along the 49th parallel over which American programmes will still come.

Canada has enough government departments now, enough financial burdens and enough bureaucracy without going socialist on the radio question.

DEFLATING DEBTS OF FARMERS

WHEN the Massey-Harris Company decided to grant a ten per cent reduction on money due to it by farmers it provided a commentary on the deflation. But this ten per cent reduction is for a limited period only although there is no reason why the company should not continue it if it wishes.

To what extent this company is secured by the notes it holds and what is the average position of the farmers who owe it money, we do not know. But it has been rather conclusively demonstrated by events of recent years that the average debt-burdened farmer throughout the world will not be able to meet anything like 90 per cent of his obligations and will not be brought back into the market for farm implements or other products by a ten per cent reduction in price.

Those who have devised schemes to make credit easily and cheaply available to agriculturists the world over have not been as good friends to the farmers as the latter may have thought at the time. A very big proportion of farmers will find it beyond their capacity to meet all their obligations with prices at around present levels. There has been a vast deflation in prices of farm products and an equally onerous deflation in farm land values. But debts have not deflated simultaneously. In this respect farmers are in little different position from other classes throughout the world, except that their problems have been, on the whole, more intense.

In the coming years, many hundreds of millions of dollars will have to be written off farm debts in order that agriculture may start its process of rebuilding with as clean a sheet as possible. Mortgage foreclosures and bailiff's sales will probably play a less important part in the job than such voluntary gestures as the one just announced by Massey-Harris Company.

The present plight of agriculture in all countries would be relieved to some extent by an upward movement in the general level of commodity prices. There are many able economists who believe that the 1929 level of prices can be restored and must be restored. With most of them the wish is father to the thought. In any event, the evidence pointing to such a development has been slow to present itself. While the prospect of higher prices remains, the process of deflation—including deflation of such things as the bonded debts of South American countries and the mortgages and implement notes of Western Canada farmers—will be resisted. Time will tell whether such resistance is or is not worth while.

AL. SMITH TALKS SENSE

EX-GOVERNOR ALFRED E. SMITH of New York has suddenly made himself a world figure. With the Democratic nomination almost allotted to Franklin E. Roosevelt, governor of New York, what Smith says is not of as great significance as it would have been four years ago. But his proposal for a twenty-year moratorium on reparations and war debts was made in an address of statesmanlike calibre and it should have a profound response in the United States. Mr. Smith has said what Mr. Hoover has feared to say.

In the course of his address, in New York last week, Mr. Smith made another statement that showed him to be a man of much greater common sense than is credited to him by those whose dislike for him is based either upon his religion or upon the fact that he pronounces radio with a short "e." He said:

"This is no time for demagogues. At a time like this, when millions of men and women and children are starving throughout the land, there is always the temptation to some men to stir up class prejudice, to stir up the bitterness of the rich against the poor and of the poor against the rich. Against that effort I set myself uncompromisingly. I protest against the endeavor to delude the poor people of this country to their ruin by trying to make them believe that they can get employment before the people who would ordinarily employ them are also again restored to conditions of normal prosperity. A factory worker cannot get his job back until business conditions enable the factory owner to open up again, and to promise the great masses of working people that they can secure renewed employment by class legislation is treachery to those working people, to the principles of the Democratic."

SLOW PAY

A MYSTERY to many business men who do business with the Dominion government is why they cannot obtain prompt settlement of their bills. Mr. Bennett, answering a question in the House, the other day stated that the counsel appointed by the government to serve with the Stamp grain commission had not yet been paid for his services. Mr. Bennett did not say whether or not a bill had ever been presented but since the commission concluded its labors ten months ago it may be taken for granted that the bill has been in Ottawa's possession for some time.

Recently a group of advertising agencies, who did some work for the government, were kept waiting about six months for their money. As the newspapers with whom they placed advertising had to be paid promptly this means that the advertising agencies acted as bankers to the government. Their moderate margin of profit, after their overhead expenses, would do little more than pay the interest on the bank loans they had to negotiate to carry the account while the government was making up its mind to issue the cheques.

EVERYONE IS INTERESTED IN LOWER TAXES

RECENTLY the employees of a large American manufacturing company drew up and signed individually a letter of protest to the United States senators and representatives for their district. This letter protested against the rising tide of taxation and asked for a very definite reduction in federal expenditures. Incomes of practically all citizens, it was pointed out, had been severely curtailed. A notable exception was the salary and wage scale enjoyed by government employees. The employees of this company had themselves taken a wage cut and they asked that the scale of compensation of civil service be also reduced.

Three main requests were made. First, a thorough reduction of the federal salary and wage scale. Second, elimination of government positions and functions which constituted a duplication of the position or functions of other departments and bureaus. Third, the elimination of every bureau and function of the federal service the maintenance of which was not consonant with strictest economy.

Business men all over Canada have made it clear that they consider balanced budgets for every governmental unit and lowered taxes to be absolutely fundamental to recovery. But workers also are interested in this vitally important question. The precedent set by the employees of the American company is an interesting one.

If life weren't so short and complex, and there weren't so many things to do we'd try to find out what proportion of the people who have been carrying on propaganda against American radio programmes are Amos 'n' Andy fans? And how many would tune in the programme even if they had to buy a set big enough to bring in New Orleans to do it?

POST-scripts

SENATOR ARTHUR MEIGHEN has just concluded a year as president of the Canadian Club of Toronto. He leaves behind him a record of introductory remarks and words of thanks that are likely to remain for some years a tradition in the club. Fortunately, the brief remarks which the presiding officer of the club made before and after each piece de resistance are recorded in full in the club's annual volume. Thus they will remain permanently inscribed in an easily available form where future chairmen may turn for inspiration.

Always succinct, and not infrequently cryptic, the carefully selected phrases of this acknowledged master of precise but suggestive phrasing, fall from his lips with the easy and studied nonchalance that can come only from long experience or (where long experience is not there to draw upon) from the most intense study immediately preceding their advent.

Senator Meighen speaks as, let us say, Walter Lippman writes. If his words are at any time incapable of but a single and very definite construction then it is because—as Sir Henry Lawrence says of Gandhi's less precise statements—Mr. Meighen did not intend them to be so. But Mr. Meighen does not often exercise the statesman's prerogative of using his language to conceal his thoughts. Certainly he did not do so when he referred to a "think" story in an Ottawa newspaper as "venturesome prognostication," a phrase worthy to rank with the famous "terminological inexactitude" of a great British euphemist.

THE "mystery" radio programme which has been broadcast in recent weeks has aroused considerable discussion; its feature, it will be remembered, is the fact that the name of the sponsors is withheld. The only clue is contained, so the announcer says, in the tunes played by the orchestra. It is understood that the band has not yet rendered "Just a cottage small by a waterfall" so little credence is given to the theory that the programme is sponsored by the Beauharnois Power Corp. bondholders protective committee.

New Books

"The Law of The Taxing Power in Canada"

In the minds of the layman, there is often great confusion as to the relative spheres of taxation of the Dominion, the provinces and the municipalities. With all of the different governments pressed for revenues, to meet their constantly expanding expenditures, there has been shown a great deal of ingenuity in the invention of new forms of taxation. Different taxing bodies have vied with each other in attempting to be the first to utilize these new forms of taxation. But in the race, the provinces and municipalities have been handicapped for, while the taxing powers of the Dominion government are absolute and practically unhampered by any restrictions, the taxing powers of the provinces and through the provinces those of the municipalities are definitely restricted by the British North American Act to direct taxation within the province in order to raise revenue for provincial purposes and to the issuance of various trade licenses in exchange for a fee.

For many years, the Dominion government imposed no direct taxes but recent years have seen many such taxes imposed, and thus there is definite conflict between the provinces and the Dominion in regard to these matters—the income tax, stamp taxes, etc.

Scores of cases dealing with the law of the taxing power in Canada have been decided by various courts, including a judicial committee of the Privy Council, and these have been gathered together by Professor W. P. M. Kennedy, of the University of Toronto, and D. C. Wells, Barrister at Law, Toronto, as a basis of a very interesting and important monograph on "The Law of the Taxing Power in Canada" just published by the University of Toronto Press.

While written primarily for the information and reference of lawyers the volume has big interest for public officials and others and it apparently has been written with the desire to make it useful for the layman as well as for the professional man in law.

The authors make is quite clear that there is no constitutional safeguard against double taxation, that is to say, the overlapping in the field of direct taxation between the Dominion and the provinces, is not barred by the Canadian constitution. The only distinction between similar taxes imposed by two classes of government is that provincial taxes must be for the raising of revenue for provincial purposes, while the Dominion tax must be for Dominion purposes. Both of these phrases are construed in no narrow fashion.

There is a very interesting discussion of what constitutes direct taxation and it is made clear that direct taxation in Canada is a purely legal term and not an economic term. It is even possible that a form of taxation might be indirect on one occasion and direct on another. In interpreting a tax as direct or indirect, one must have in mind the common understanding of men, especially as it existed in 1867. A direct tax is one which is demanded from the very person who it is intended to pay it, or desired to pay it. Indirect taxes are those which are demanded from one person in the expectation, and the intention that he shall indemnify himself at the expense of another, but in the application of the definition there may arise many important differences of opinion.

It is interesting to observe from this book that the Imperial Parliament still has full taxing power in Canada, although by constitutional practice the exercise of this power is to all intents and purposes completely forbidden.

The monograph has just appeared.

"Banking Credits and the Crisis"

The depression has not grown from a single seed but it is a hybrid product of the crossing of many good and evil stocks. But tracing the depression back to its innumerable sources, one finds many important lines leading back to banking and credit. This phase of the crisis is the subject of "Banking Credits and the Crisis" a new and very interesting volume by J. W. Kempster, a British engineer and a director of the famous Belfast ship-building firm of Harland and Wolff.

Mr. Kempster's volume is introduced by no less an authority than Sir Josiah Stamp but without that able economist's foreword it would be able to stand on its own feet. Mr. Kempster discusses the crisis chiefly in respect to its impact upon Great Britain and his volume gives a better understanding of the British banking and credit system than of the general world monetary machine. The appearance of the MacMillan Committee report has made British banking more of an open book to the student in Canada and other lands but Mr. Kempster's volume is a valuable supplementary source. His method of treatment is to tell briefly the history of British banking, to describe the progress and development of the joint stock banks and the Bank of England, to outline the various theories on credit and the credit cycle and then to proceed to an examination of the world crisis, particularly in relation to Great Britain.

The footnotes, which are in the nature of interesting commentaries on people and things, and the appendices which include a summary of the MacMillan report and numerous statistical tables, are quite as interesting as the main text.

"Banking Credit and Crisis" is published by the London General Press, 6 Bouverie Street, London, at 12s. 6d.

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

SALTER ON RECOVERY

LAST week in "The World at Large" column we made a brief reference to Sir Arthur Salter's new book, "Recovery; the Second Effort." Although it has been off the presses less than three weeks the volume has enjoyed an enormous sale, particularly in the United States, and we observe that the third printing is now on sale. The popularity given to Sir Arthur Salter's world-wide picture of the present economic and political crisis is thoroughly well deserved; it is one of the ablest and broadest conspectuses that has yet appeared.

Salter is a Britisher who has spent most of his life in governmental service or with the League of Nations. He has been on the scene at practically all of the important international conferences of the post-war years. His work as director of the economic section of the League of Nations has forced him into a position of independence of national prejudices and has made him an internationalist of the first order. Being a strong League supporter, he very naturally takes time out occasionally in his volume to write a mild panegyric on some phase or other of League work, but even to those who are less enthusiastic about the League and question these sections of the work do not weaken the effectiveness of his main arguments. It is most refreshing and valuable to have a discussion of the world crisis that is not British propaganda, nor American propaganda nor French propaganda, but that sincerely attempts to observe from a world point of view.

* * *

SIR ARTHUR SALTER'S treatment is interesting, for he gives the essential historical facts, then a picture of the present situation, then the necessary first-aid measures and finally his view of the ultimate goal for recovery. While not an economist, strictly speaking, he has a shrewdness in analyzing economic movements that gives a saltiness to his volume. This is particularly noticeable when he paints in the background of the post-war years by discussing the passing of the laissez faire system and shows the competitive system in transition. From this point to the discussion of the world economic crisis and the world financial crisis is not a long step.

After a careful survey of such problems as gold, credit, reparations and war debts, tariffs, disarmament, treaties, etc., he attempts to show the extent of the reforms that are necessary. They are, for the most part, logical and the preliminary as well as the ultimate steps necessary to their achievement are outlined as the author sees them.

One important thing this book does bring home; the fact that the crisis is a world crisis and that purely local remedies, except in so far as they are widely applied and with some measure of intelligent co-operation, will not bring the whole world back to prosperity. And yet Sir Arthur does not envisage any one international panacea.

* * *

IN HIS volume is to be found one interesting discussion. It is on the possibility of establishing national economic councils to comprise the best business and economic brains of each country, which would study the changing currents of business policy and act in an advisory capacity to the national government. Just to illustrate what such a council could do he instances the evils of the excessive use of installment selling. Installment selling that permits a wider sale of such things as motor cars is valuable in times of prosperity. But when installment selling is used to bolster up sales in the dying days of a period of good times and thus puts people to the necessity of using their scantier incomes of a period of depression to pay bills instead of continuing new buying; it is distinctly a factor leading to disequilibrium. Sir Arthur feels that a national economic council could bring pressure to bear to slow down installment selling when it threatens to go to excesses.

* * *

THE book is incapable of brief summary and it would not be of much value to select one of his many subjects from its place in the well-ordered array of related subjects in order to analyze it in detail. The volume is worthy of close study and it will be found interesting, which is more than can be said for most recent economic works.

"Recovery; the Second Effort," is published in Canada by George J. McLeod, Limited, Toronto, at $3.50.

Other People's Views

"Al" Smith on War Debts

New York Times.—Governor Smith believes that there is a large chance that we shall never be paid much more on the war debts; instead of permitting them to go by default, he would attempt to turn them into an asset. Whether the Democratic party is in a mood to accept anything resembling his proposal is uncertain. But he has at least done a useful service in calling attention once more to the close connection between debts, credits, foreign trade and markets for "surplus" goods. What Secretary Mellon told the Ways and Means Committee of the House in 1926 is no less true in 1932: "The entire foreign debt is not worth as much to the American people in dollars and cents as a prosperous Europe as a customer."

For Adult Education

Maclean's Weekly.—Farmers take more time to read and reflect than do their contemporaries in commerce and industry. As a rule, farmers are more resourceful, better informed, and more intelligent than the average man in business. A recent investigation in the United States by a manufacturer, and not by a publisher, among thousands of farmers who have been specially successful, shows that the great majority of them attribute their success to the study of their farm papers.

Recently here in Toronto at the large annual gathering of the milk producers of Ontario, the vice-president, F. W. Lee, Springfield, Ont., referred to the low returns from milk produced by the farmers. He said: "Somehow we have not been able to get the results that our efforts warrant." He then went on to refer to the value of the business paper devoted to milk production and said: "This, I believe, is the greatest medium we have for educational propaganda, not only for presenting to the producers advice, good counsel, etc., but a medium which we must use even more in the future than in the past to present the case of the farmer to powers that be—financial, legislative, as well as consumer, etc.—in the proper light. Too often the press today cannot picture for special reasons what they would really like to say with regard to agricultural conditions and corrective measures. They have to live to some extent on advertising, and anything in the nature of criticism is avoided as much as possible. I hope that nothing will ever be done that might retard the progress of the 'Ontario Milk Producers,' because I believe it is speaking as fearlessly in the interests of the producers of milk as anything we ever had."

In the Mail

The Outright Purchaser

Editor, The Financial Post,—

It is ridiculous that the outright purchaser of stocks through a broker (who desires to have them registered and who, quite properly is asked to pay for them on receipt of the buying confirmation) should have, in the ten day interim before delivery, no legal protection or priority of claim over the margin purchaser in the event of the failure of the broker in this interim.

It is largely because of this that brokers lose a lot of business to the banks and are forced to split commissions with them.

I would like to suggest a procedure that would protect customers of this sort, who in most cases do not realize that they are running any risk.

It is that the broker send the certificate to the Trust Company to be registered but ask them to return the registered certificate direct to the address of the purchaser. And that the customer pay, not upon receipt of the bought confirmation, but upon the receipt of a carbon copy of the broker's letter to the transfer agents. This would at least give the purchaser possession.

H. H.

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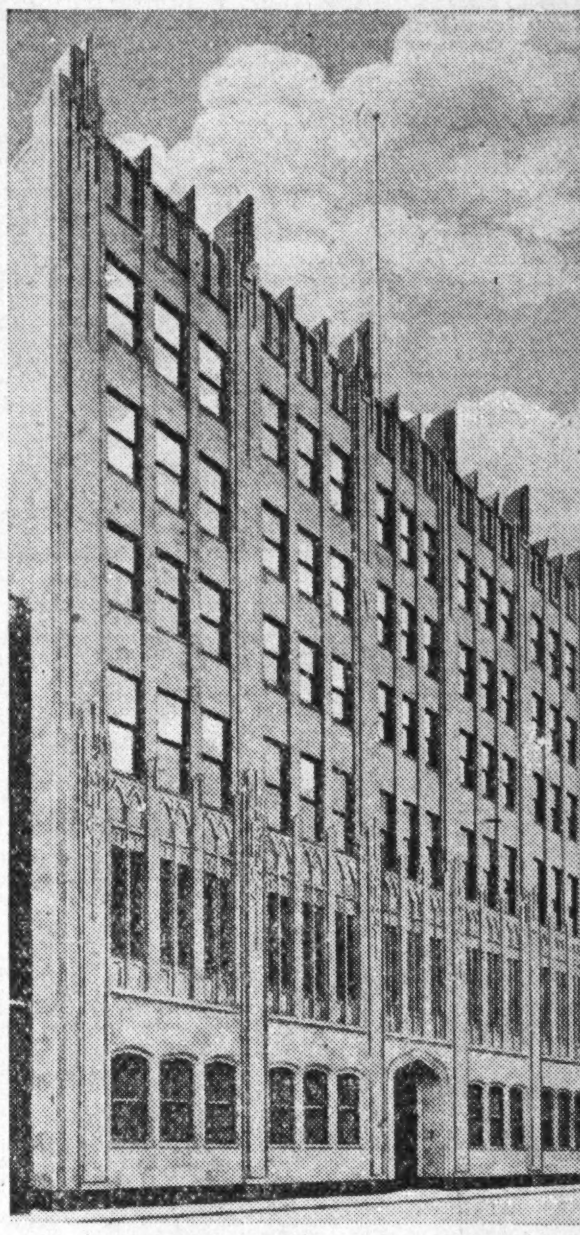

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Business Conditions in Canada

The Week in Business

Few Auspicious Signs for Second Quarter

Critical World Events Loom Ahead

Canadian Outlook Better Than That of U. S. A.

NOT even warm, though belated spring sunshine has been able to infuse cheer into a rather drab business outlook as the second quarter of 1932 gets under way. Preliminary figures in The Financial Post index of psysical volume of business show March was a disappointing month in that it failed to live up to the good example set by February and moved our index into new low ground. It is now back to the May, 1922, level.

One particularly discouraging feature of the current situation is that some of the indices which made the best showing early in the first quarter have now slumped considerably. Notable among these are carloadings of merchandise which have failed to make anything like their usual seasonal progress and which are probably a direct reflection of the fact that retail trade has been also disappointing. Life insurance also made a decidedly poor showing in March.

* * *

IN THE United States, little hope is held out for a revival of activity this spring but attention is being definitely focussed on the present quarter on account of extremely important events which is expected will decide whether the peak of the financial strain has been passed, and the chief obstacles to business and security market recovery removed, or whether we must face "the slow torture of a continuance of present conditions and trends."

Just what these important influences which loom ahead of us, are, is summed up in a special review article in the current issue of the New York Annalist by E. W. Axe. He says:

"If the German and French elections result in victories for the moderate parties; if the Lausanne conference in June is able to work out a satisfactory agreement for the economic and political stabilization of Europe; if Congress passes none of the objectionable measures upon which it is now meditating; if the Presidential nominations are of a nature to restore confidence; if bank failures do not increase again and circulation does not expand; if a heavy outward movement of gold does not develop, and if in spite of heavy government financing the bond market does not decline seriously; then we can be fairly confident that the point of maximum tension in the 1929-32 liquidation has been passed and that there is a reasonable prospect of early recovery.

"It is possible that the financial situation will change almost as rapidly and as spectacularly as in 1924. At the moment, unfortunately, no one can foresee how all these various situations will work out. As the Duke of Wellington is said to have remarked on the afternoon of June 18. 1815, 'This is going to be a damned close thing'."

* * *

ON the surface, the near-term outlook for Canada seems brighter than the immediate prospects which face the United States, due perhaps to the slow but steady improvement in crop prospects. Whether this will mean very much so long as the business and financial situation remains in a state of chaos across the border, remains to be seen. Past experience points to the very close relationship which has always existed between business in these two countries and there is nothing to change this situation for the time being.

The truth of the matter lies probably in the fact that whereas New York reflects directly a critical world situation, Montreal and Toronto are affected only indirectly which tends to soften the harsh outlines of unpleasant things.

WHEAT HOLDOVER TO BE AWAY DOWN SAY STATISTICIANS

Lowest Since 1928 Predicted by Dominion Bureau Compilation

A carryover of Canadian wheat in Canada of 103,000,000 bushels—the smallest since 1928—is estimated for the crop year ending July 31, 1932, by the Dominion Bureau of Statistics on the basis of data compiled as at the end of March. A year ago the corresponding figure was 133,382,000 bushels, while for the three previous years, the figures were as follows: 1930, 111,000,000; 1929, 104,383,000; 1928, 77,626,000. These figures do not include Canadian wheat in United States positions which is not included in the official Canadian carryover returns.

Total reduction in volume of stocks of grain in all positions in Canada as at the end of March, 1932, amounts to 179,000,000 bushels, as compared with the same date a year ago, the Dominion Bureau finds. Wheat stocks alone are down 36,795,000 bushels to 243,300,000. Practically this entire amount is due to a drop of 35,000,000 bushels in stocks of wheat in farmers' hands which are now estimated at 58,651,000 bushels as compared with 94,000,000 bushels at this time last year.

The 1932 figure is only 19 per cent of the 1931 wheat crop as compared with 22 per cent in 1931 and 15 per cent as at March 31, 1930.

Less Unmerchantable Wheat

Of the total estimated wheat crop of 1931, only 2,826,000 bushels or 0.9 per cent proved unmerchantable as against 4,500,000 bushels or 1.1 per cent a year ago. A preliminary investigation as to the amount of wheat fed to livestock and poultry in 1931 reveals that out of total estimated production in 1931 of 304,000,000 bushels, just over 11 per cent or 33,700,000 bushels was used for feed. In 1930, 9.7 per cent or 40,690,000 bushels was thus used.

The analysis of the 1931 wheat crop situation on the basis of March 31 figures and estimates is outlined by the Dominion Bureau as follows:

"The 1931 wheat crop of Canada was estimated in January at 304,144,000 bushels. An allowance of 0.9 per cent for grain not merchantable involves a reduction of 2,826,100 bushels, while estimating dockage at 2 per cent on deliveries of 252 million bushels justifies a further deduction of 5,040,000 bushels. These subtractions leave a net crop of 296,277,900 bushels. Adding the carry-over of Canadian wheat in Canada on July 31, 1931, (133,381,623 bushels) the total available for distribution amounts to 429,659,523 bushels. Of this total, 128,903,226 bushels of wheat (and wheat flour) were exported in the period from August 1, 1931, to February 28, 1932.

Exports in the remaining five months of the crop year are estimated at 85 million bushels. Further requirements for domestic consumption during the present crop year are 38 million bushels for seed, 41 million bushels for human consumption and 33 million bushels for feeding live stock and poultry. Such calculations indicate that the carry-over of Canadian wheat in Canada at July 31, 1932, will be in the neighborhood of 103 million bushels, which will be the smallest carry-over since July 31, 1928.

"Our total stocks of wheat in Canada (carry-over at July 31, 1931 plus the new crop) have fallen approximately 194 million bushels since the beginning of the present crop season, of which total exports account for about 140 million bushels. Proceeding from the total stocks on hand at March 31, 1932 (viz. 243,300,165 bushels) and with allowances proportionate to those stated above for domestic consumption, further proof of reduced carry-over is obtained."

Southeastern Alberta Seed Needs

Approximately 140,000 bushels of seed wheat, 160,000 bushels of seed oats and 100,000 bushels of seed barley will be required this season in Southeastern Alberta, according to George Hoadley, provincial Minister of Agriculture.

Spring Business Still at Low Ebb

	Canada	United States
Commodity Prices:	Retail prices decline but fractionally in March.	Indices firmer but no definite trend for recovery yet indicated.
Iron and Steel:	No prospects for April-May improvement seen as yet.	Ford delay continues to act as brake on steel industry.
Carloadings:	Total loading increase but merchandise loadings at new low for year.	Merchandise index in Feb.-March, drops faster than at any time since 1929.
Foreign Trade:	Total trade in fiscal year drops $557,000,000 or 32 per cent.	First quarter returns show exports decline 35 per cent, imports 30 per cent, from '31 levels.
Employment:	Early opening of St. Lawrence navigation not realized.	Slackness of retail activity proves disappointing.
Stock Markets:	Canadian markets follow directly in New York's wake.	Open market operations of Fed. Reserve Board cause strength in government bonds.
Foreign Exchange:	Discount on Canadian dollar firm at 10 cents.	Believe British plan maintenance of £ at $3.75 to $3.80 level.
Week's Highlight:	Business becomes increasingly concerned for success of Empire Conference—little seasonal stimulus as yet.	Experts believe next three months highly critical as business fails to show seasonal reflex.

Preliminary Index Down At End of First Quarter

Business Activity at May 1922 Level Despite Improved Showing by Iron and Steel Plants

By SYDNEY B. SMITH

A decline was shown in business operations in March from the level of the preceding month according to The Financial Post preliminary index. The standing was 94.3 in March compared with 95.5 in February.

Six factors out of the eighteen used in this connection showed gains in March. The primary iron and steel industry showed greater activity in the month in question and the automobile after months of inactivity showed considerable gain in output. A significant factor was the pronounced gain in imports even after adjustment for seasonal tendencies.

Back to 1922 Level

The drop in the index in March results in the reaching of a new low point for the current period. It is necessary to go back to May, 1922, before an equally low point is encountered. The cyclical decline of the last three years has counterbalanced the greater part of the marked expansion of the long cycle of prosperity culminating in midyear 1929.

The low point of the primary post-war depression was reached in June, 1921, when the index stood at 77.2. The peak of 182.7 attained in May, 1929, forms a sharp contrast, the advance in the interval consisting partly of long-term growth and partly of cyclical expansion.

The drop from 182.7 about three years ago to 94.3 in March of the present year is perhaps the sharpest readjustment on record, surpassing in severity any previous decline in Canadian industrial history. Notwithstanding the sharpness of the decline, however, industrial operations of the current period are more extensive than characterized the depth of the first post-war depression experienced in 1921 and the first part of 1922.

Iron and Steel Active

The considerable resumption in the operations of the primary iron and steel industry was one of the features of the month. At the first of March a 300-ton blast furnace was blown in at Sault Ste. Marie while at Hamilton a furnace with a capacity of 550 long tons per day continued in operation. The output of pig iron was 17,989 tons compared with 10,507 tons in February. The production of steel was 43,572 tons compared with 28,422 tons. The Canadian gains, in March, were all the more interesting in view of the inactivity in the same industry across the border. A close correlation is normally maintained between the operations of the industry in the two countries but in the present case the gain in the Canadian industry contrasts with a considerable decline in the United States.

The gain in the operations of the steel industry was attained despite the adverse tendency in construction. Contracts awarded in March were limited to $10,766,700 compared with $14,802,600 in February, whereas a gain would normally be anticipated with the advance of the season. The largest contract placed in March was for the superstructure of an auditorium in Winnipeg at $887,729. Building permits at $3,324,000 showed a gain over February, when the total was $2,579,000 but the increase was less than normal for the season.

Imports Make Gain

Exports at $41,019,000 showed a decline after seasonal adjustment of 17.5 per cent over February. The seasonal increase is normally large owing to the practice of including complete returns in the March total, while for other months the ledgers are closed on the last day. The natural result is that March totals are expanded at the expense of April. If adjustment is made for this factor, exports for March showed a considerable decline. Imports in March were about $57,925,000 showing a gain over February after seasonal adjustment of no less than 16 per cent.

The production of automobiles which had been decidedly small during the first two months of the year showed considerable gain in March even after adjustment for seasonal tendencies. According to the experience of previous years, the output of motor cars in March is normally 26.8 per cent greater than the average for the year, while in February the excess is limited to 3.4 per cent. Seasonal tendencies have been greatly changed in the last year or two, but the gain in March over the low mark of February was noteworthy.

Newsprint Lower

Exports of planks and boards in March were 77,552,000 feet compared with 60,445,000 feet in February, but the gain was less than normal for the season. The production of newsprint was in a similar position, the output of 166,758 tons showing the moderate decline of 3.5 per cent after seasonal adjustment.

The production of refined sugar in March at 51,876,000 pounds was somewhat greater than in February even after the usual adjustment, the output in the preceding four-week period being 25,681,000 pounds. The production of flour showed a decline during the last period for which statistics are available.

The tendency in the mining industry was toward lower levels in March. A gain was shown in the shipments of zinc but the remaining five factors used in this connection showed declines after seasonal adjustment. The general freight movement did not come up to seasonal expectations. Carloadings were 182,678 compared with 174,106 in February, the decline after seasonal adjustment being 5.3 per cent.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1932	Weekly Latest 1931	Cumulative Jan. 1 to date 1932	Cumulative Jan. 1 to date 1931
Transportation—				
Car Loadings (Apr. 9)	41,432	45,322	575,048	653,158
C.P.R. gross earn. (Apr. 14) $	2,122,000 $	2,747,000 $	32,458,000 $	40,232,000
C.N.R. gross earn. (Apr. 14) $	2,788,424 $	3,436,130 $	39,760,940 $	49,033,727
	Monthly			
C.P.R. net earn (Feb.) .. $	229,434 $	267,238 $	846,913 $	1,129,486
C.N.R. net earn. (Feb.) .. $	‡589,428 $	170,548 $	‡1,177,551 $	682,477
Iron and Steel—				
Pig iron, tons (Feb.)	10,510	46,400	56,910	81,922
Steel, tons (Feb.)	28,420	82,640	53,480	140,238
Automobiles prod. No. (Feb.)	5,477	9,871	9,208	16,367
" exports, No. (Feb.)	414	1,596	996	4,691
Construction—				
Building Permits (Feb.) .... $	2,578,597 $	6,395,659 $	5,430,526 $	14,797,115
Contracts (Mar.) .... $	10,766,700 $	27,311,800 $	38,307,600 $	73,541,000
Newsprint—				
Production, tons (Mar.) ...	166,758	192,274	490,330	539,899
Exports, tons (Mar.)	171,650	200,545	487,008	498,143
Sugar—				
Imports, raw, lbs. (Feb.) ...	24,368,700	43,569,500	36,354,400	66,686,300
Manufactured, lbs.*	51,876,286	55,588,555	§105,448,206	123,180,425
Flour—				
Production, bbls. (Feb.) ..	842,123	1,035,383	1,698,315	2,121,655
Wheat flour exp., bbls. (Mar.)	414,779	560,553	1,084,098	1,367,582
Other Industrial Indices—				
Lumbering: Plank & board exports mill ft. (Mar.) ...	77.55	94.46	191.85	223.89
Boots & shoes, pr. (Feb.) ...	1,558,413	1,276,965	2,670,605	2,261,889
Petroleum, imp. crude, gal. (Feb.)	48,582,747	61,696,245	121,311,890	120,671,240
Cotton, imp., raw, lbs. (Feb.)	7,074,000	5,389,000	13,602,000	15,541,000
Rubber, raw, imp., lbs. (Feb.)	3,859,283	4,315,656	7,770,689	8,144,186
Coal, imports, tons (Jan.) ..	629,633	792,826	......	......
Trade—				
Imports (March) .... $	57,925,035 $	75,349,854 $	127,625,627 $	176,712,256
Exports (March) .... $	39,749,307 $	55,048,197 $	114,547,061 $	148,547,061
Wheat exports, bus. (Mar.).	9,921,634	12,995,567	29,292,348	32,901,022
Labor—				
Employment Index (Feb.) ..	88.7	100.2	......	......
Electric Power—Output—				
M. Kilowatt hours (Feb.) .	1,329,734	1,338,987	2,749,333	2,827,708
Finance—				
Failures, No. (Feb.)	221	188	459	428
Failures, Liabilities (Feb.) .. $	3,650,728 $	4,789,701 $	7,711,728 $	8,760,380
Bank Debits (Feb.) ...... $	1,990,046 $	2,534,913 $	4,061,080 $	5,203,238
Bond sales (March) .... $	35,667,127 $	48,302,612 $	102,854,282 $	190,562,188
Insurance sales (March) ... $	37,467,000 $	46,945,000 $	112,943,000 $	128,313,000
Automobile Financing:				
Used cars (Feb.) .... $	799,413 $	1,439,500 $	1,611,913 $	2,726,904
New cars (Feb.) .... $	725,299 $	921,042 $	1,358,006 $	1,830,556

*Four weeks' period, Mar. 5 to Mar. 26. §Jan. 1 to Mar. 26.
†(000's omitted).
‡Deficit.

CANADIAN TRADE OFF 32 PER CENT IN FISCAL YEAR

Canada's total trade for the fiscal year ending March 31, amounted to $1,166,500,000 a decline of 32 per cent or $557,000,000 from the preceding year's total, according to figures issued from Ottawa this week. Exports for the fiscal year dropped $229,463,000 to $587,565,000 a decline of 28 per cent. Imports declined $327,600,000 or 36 per cent to $578,981,000. There was a favorable trade balance for the period of $8,585,000 which compares with an unfavorable balance for the previous fiscal year of $89,554,000.

Trade figures for March show a substantial rise in the "unfavorable" trade balance—a customary phenomena at this time of the year. Imports were $57,925,000 and exports $41,019,000 indicating an excess of the former of $16,906,000. A year ago, March imports were $75,350,000 and exports $56,295,000, giving an excess of imports over exports of approximately $19,000,000. Of leading exports in March, 1932, the only items to show an increase were meats and cheese,

Leading Items of Export From Canada
(Fiscal Years Ending March 31)

	1931 $	1932 $
Wheat	177,419,769	115,739,451
Wheat flour	32,876,234	18,897,543
Fish	28,894,876	24,437,078
Furs	15,103,798	12,218,099
Meats	6,087,270	4,960,816
Cheese	12,889,726	10,593,967
Planks and boards..	31,576,202	18,766,452
Wood pulp	35,061,689	27,684,782
Newsprint	127,362,726	103,003,352
Automobiles & parts	17,439,170	4,331,473
Copper, unmanufac.	21,247,512	6,346,192
Nickel, unmanufac.	18,246,375	12,109,400

LOAF CHEESE OUTPUT DOWN 2,600,000 LBS.

Loss of Export Markets Has Cut Production in Past 7 Years

The effect of a drastic falling off in the export demand for Canada's "processed" cheese in the past seven years is clearly shown in figures published this week by the Dairy Branch of the Department of Agriculture, Ottawa. These show production and export of this commodity for Canadian factories in the years 1925-1931 inclusive. "Processed" cheese comprises for the most part what is known in the trade as loaf cheese and is made by eight firms in Canada, six of which are in Ontario with one in each of Quebec and Alberta.

Analysis of these figures reveals that although total Canadian production has decreased substantially in all but one of the past seven years, this has been due to falling export markets rather than a decline in consumption for domestic use. The latter shows an increase in each year until 1930 when a slight decline was recorded which was also carried forward into 1931.

	Production lb.	Export lb.
1924	16,893,823	Not available
1925	32,652,569	21,381,532
1926	20,298,428	10,872,755
1927	15,386,617	3,725,244
1928	19,781,066	6,719,428
1929	17,707,822	3,800,160
1930	14,633,733	1,627,925
1931	12,048,012	1,148,316

Business Briefs

Carloadings for the week ended April 9 amounted to 41,432 cars, an increase of only 41 cars over the previous week, but after adjustment for seasonal variation, the index number rose from 70.77 for the previous week to 72.39. Total loadings of merchandise rose by 172 cars to 14,434 cars in the week ended April 9, but this was less than the normal seasonal increase and, as a result, the index number dropped to 83.90 from 84.21 for the previous week.

Wheat stocks for the week ended April 8 amounted to 181,894,129 bus. compared with 184,565,284 bus. for the previous week and 178,057,369 bus. for the corresponding week in 1931. Wheat cleared for export during the week ended April 8 amounted to 2,366,098 bus. compared with 2,976,326 bus. for the previous week and 3,858,794 bus. for the corresponding week, 1931.

Commercial failures in February numbered 221 compared with 238 in the preceding month and with 188 in February, 1931. Liabilities of the assignors in February this year were $3,650,728 compared with $4,060,643 in January, 1932, as compared with $4,789,701 in February, 1931.

Sugar Stocks on hand on March 26, including raw and refined stocks, amounted to 197,292,397 lbs. compared with 167,340,952 lbs. at the same time in 1931. Total shipments of refined sugar during the four weeks ended March 26 amounted to 53,330,445 lbs. compared with 58,388,169 lbs. in the corresponding period of 1931. Shipments from Jan. 1 to March 26 were 150,843,000 lbs. as against 163,354,435 in the same 1931 period.

Coal Production in Canada for February was 1,188,349 short tons, an increase of 23.4 per cent over production in the same month in 1931 but a decrease of 9.9 per cent from the average for the month for the last five years. Western areas recorded good increases in production but Nova Scotia showed a decline. Imports of coal were 50.9 per cent below and exports 54.1 per cent below the five year average for the month.

Leather footwear production for February, from 182 factories, was 1,553,413 pairs, being an increase of 40 per cent over the preceding month and an increase of 22 per cent over the same month in 1931. Production for the first two months of 1932 amounted to 2,670,605 pairs compared with 2,261,889 pairs in the same period in 1931.

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Insurance for Buyer and Seller

POLICY LOANS NOW TOTAL $267,000,000

New Loans Made by Canadian Companies in 1931 Over $107,000,000

REPAYMENTS HIGH

But Surrenders in Past Year Reach New High Level at $29,000,000 — Present Trend Better

By Staff Editor

OTTAWA.—Loans on life insurance policies issued in 1931 by Canadian companies on their entire business both in Canada and abroad, totalled $107,000,000, according to information given The Financial Post this week.

This is an increase of 21 per cent and compares with $88,000,000 loaned in 1930. Companies believe, however, that the peak has been reached and that in all probability demands on their treasury from this quarter will gradually decrease from now on. They are reticent on this point, however, until a few more weeks elapse to confirm the present trend.

Loans in Force Up $36,000,000

Total policy loans in force at the end of 1931 also show a considerable increase amounting at the end of the year (for federal licensed companies) to $267,000,000 as against $229,000,000 at the end of the previous year. This is an increase of $36,000,000 as compared with a similar increase of $34,000,000 in 1930.

Loans repaid either by cash or surrender show a considerable increase, however, over 1930, the total amount repaid in this way in 1931 being $58,000,000 as compared with $45,000,000 in 1930. This would be a highly satisfactory state of affairs if it were not that exactly half of the 1931 total is due to policies surrendered which means that $29,000,000 of policies have been lapsed to meet the demands of policy loans.

Lead to Lapsation

This is the most unfortunate feature of the entire policy loan situation, namely, that all too many policy loans invariably lead to lapsed insurance contracts. In 1930, out of total repayments of $45,000,000, only $19,000,000 or 42 per cent was from surrendered policies.

Policy loans repaid by cash in 1931 totalled $29,000,000 as compared with $26,000,000 in 1930.

In the United States it is reported that lapses on life policies have shown a considerable retraction and that as a result the loosening up of a considerable amount of insurance money for investment in mortgage and other channels is expected. It is pointed out that even if policy loans against Canadians were to return to the 1928 level it would release something like $50,000,000 of additional money for investment by Canadian companies. In that year only $59,000,000 was loaned to policyholders of Canadian companies both here and abroad.

Ordinary Life Insurance*

	1927	1928	1929	1930	1931	1932
January	$36,986,000	$47,569,000	$49,739,000	$45,074,000	$41,188,000	$37,331,000
February	35,525,000	39,962,000	47,140,000	43,925,000	40,180,000	38,145,000
March	42,883,000	44,823,000	48,066,000	49,047,000	46,945,000	37,467,000
April	41,631,000	46,718,000	51,842,000	51,649,000	45,648,000	....
May	44,553,000	49,581,000	50,547,000	48,871,000	41,314,000	....
June	45,298,000	51,884,000	53,402,000	54,168,000	46,227,000	....
July	39,962,000	49,492,000	54,809,000	46,505,000	39,977,000	....
August	38,360,000	43,503,000	41,329,000	36,249,000	35,738,000	....
Sept.	35,000,000	38,872,000	43,013,000	38,994,000	30,066,000	....
October	48,104,000	55,743,000	50,894,000	44,527,000	36,006,000	....
Nov.	44,935,000	54,865,000	55,624,000	46,186,000	38,860,000	....
Dec.	48,899,000	56,647,000	54,189,000	49,026,000	47,163,000	....

Total first 3 months, 1932 .... $112,943,000
Total, first 3 months, 1931 .... $128,313,000

Decrease, first 3 months, 12% .... $ 15,370,000
Decrease, Mar., 1932 from Mar., 1931, 22.1% .... $ 9,472,000

*Companies having in force 84 per cent of total outstanding business in Canada as at Jan. 1, 1931. New paid for, ordinary business only. Figures include both Canada and Newfoundland and are prepared by Life Insurance Sales Research Bureau, Hartford, Connecticut.

Britain Drops Restriction On Canadian Life Companies

Latest advices from Great Britain indicate that the British government has for the time being dropped discussions of a move to impose on Canadian life insurance companies doing business there, restrictions in regard to the deposit of assets in that country.

Press reports published here recently indicated that British companies were pressing the British Board of Trade to tighten the regulations on Canadian companies doing business in Canada. The matter was apparently broached by A. Leonard, a Glasgow member, whose father resides in Vancouver and who urged the Board of Trade to prohibit the agents of Canadian life companies from obtaining new business in Great Britain until they confirmed to restrictions applicable to the investments of British countries. It is believed that this was intended to make Canadian companies put up deposits in Great Britain, perhaps similar to the requirements of British companies operating in Canada.

Later reports indicate however, that the British government has decided not to consider this matter any further for the time being at least. A similar proposal was broached once before but was also dropped.

There are four leading Canadian life insurance companies doing business in Britain, namely, Sun Life, Canada Life, Manufacturers Life and Confederation Life.

"Have Not Sold Share Of Stock"—Macaulay

Though Large Blocks Have Been Transferred on Books For Educational, Family and Personal Reasons

T. B. Macaulay, president of the Sun Life Assurance Company of Canada, has not in recent years sold any of his personal holdings of the stock in that company. Mr. Macaulay informs The Financial Post that the statement that "he is getting out from under" is "without the slightest foundation."

Recently the charge has been made that Mr. Macaulay unloaded a large part of his own stock in the Sun Life before the stock market decline. In support of this statement, which was made in the House of Commons and elsewhere and which has been the subject of numerous enquiries received by The Financial Post from its readers, it is pointed out that the number of shares of Sun Life stock standing in the name of Mr. Macaulay on the books of the company is less than it was a few years ago. For instance, it was stated by Michael Luchkovitch, M.P., that at December 31 1928, Mr. Macaulay and Macaulay Securities, his private company, between them held 1,504 shares while at December 31, 1930, there were only 64 shares registered in the same names.

The Financial Post enquired of Mr. Macaulay if he had disposed of any of his shares. At first Mr. Macaulay demurred at replying to the question since he felt that his own personal affairs were hardly a matter for public controversy. He gave The Financial Post some time ago a private denial that he had sold any shares of stock and finally, upon being informed of numerous requests received by this paper from different readers, he consented to make a statement for publication.

Mr. Macaulay very definitely states that he has not sold a single share of his holdings of Sun Life stock since 1898 with the exception of a block of fifteen shares sold to a personal friend in England in 1923. No other sales have been negotiated.

He also states that a few years ago a substantial block of his stock was transferred to a trust account for the benefit of the scientific and educational work of two important public institutions. Also a number of shares have been placed in trust for Mr. Macaulay's immediate family. This explains a considerable portion of the recent transfers from his name.

In addition The Financial Post understands that a major portion of the balance of his holdings has been transferred to other names in connection with various personal financial arrangements made by Mr. Macaulay but these shares still remain in every case the property of the Sun Life president.

Shares of Sun Life stock are quite different in one important respect from the shares of most companies. They cannot be endorsed in blank. The stock is a book stock and can only be transferred, used as collateral or placed in trust by having a transfer made on the books of the company. If, for instance, a shareholder of Sun Life stock wished to utilize his stock as collateral in connection with a banking transaction it would be necessary for him to transfer his shares temporarily to a nominee of the bank although the shares would still remain his property. Also if stock were placed in a trust fund to become operative at some later date the shares would have to be placed in the name of the trustee.

COMPANIES AGREE ON NEW CLAUSE FOR DISABILITY

Final Draft Nears Completion—Will be Sponsored by Six Firms

A final draft of the new proposed total disability clause to be introduced shortly by six leading Canadian life insurance companies, is now in course of preparation and will be available for companies in a few days, The Financial Post learns. A meeting of the interested companies was held last week and a satisfactory basis for the new undertaking was agreed upon. As soon as the new draft can be prepared it will be submitted to each company for final approval.

The six companies who plan to introduce these new regulations are: London, Confederation, Montreal, North American, Crown and Dominion. Excelsior Life alone among all Canadian companies, is planning to retain the old disability provisions in force last year, The Financial Post understands. All other Canadian companies have dropped the income disability clause in favor a pure waiver of premiums clause.

Chief features of the new clause are:

1. **Definition of Total Disability**—Excludes disability occurring while assured is unemployed unless confined to home or hospital.
2. **Age Limit** — Disability must occur prior to 55 for males, 50 for females.
3. **Waiting Period**—Six months, no retroactive benefits.
4. **Income**—$10 per month per $1,000, for 50 months, then $5 per month per $1,000, for 100 months.
5. **Maturity of Policy**—After 150 monthly payments totalling $1,000, the policy is matured and paid in cash. On monthly income and deferred annuity contracts it is recommended that the policy be made fully paid up instead of maturing it.
6. **Optional Clauses**—Mental incapacity, change of occupation, total disability income limit, pro-rate.
7. **Incontestability Clause in Policy**—Should specifically exclude disability and double indemnity benefits.

PLAN TO OUTLAW INSURANCE CLUBS

Manitoba Legislators to Hear Both Sides of Story, However

Representation toward the outlawing of "assessment clubs" in Manitoba were made by representatives of incorporated insurance companies to the law amendment committee of the provincial legislature now reviewing the new provincial insurance act in that province. These clubs will, however, be allowed to argue their side of the case before an amendment forcing them to come within the regulations of the new provincial act, is passed.

The assessment clubs which flourished in that province some time ago, and of which quite a number still remain, guarantee to pay a sum on the death of a member by assessing members equally to raise the amount required.

Fraternal and mutual benefit societies, with one exception, will not be affected by the legislation proposed in the bill for the new insurance act, the committee was told. The fraternal insurance society, operated by the Ancient Order of United Workmen, which has a Manitoba license, when the proposed legislation becomes effective, will be required to deliver an actuarial certificate to the superintendent of insurance. Fraternal societies with licenses obtained in other provinces already do this, C. Heath, superintendent of insurance, stated. He declared the Ancient Order of United Workmen was more than solvent and could readily produce an actuarial certificate when the new legislation was effective.

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March Sales Life Insurance Show Decline

March sales of ordinary life insurance in Canada and Newfoundland for 15 leading companies dropped 22 per cent below the corresponding figure of 1931 according to data prepared by the Life Insurance Sales Research Bureau of Hartford.

February sales were only 5 per cent below the same month a year ago, but the falling off in March was not unexpected, in that previous months totals have undoubtedly been affected by the fact that most leading companies revised total disability provisions on Feb. 1 and a considerable volume of business undoubtedly was attracted into the early months of the year on that account.

Total sales for the month were $37,467,000 as compared with $46,945,000 in the same month a year ago and $38,145,000 in February. The decline from February was distinctly against the seasonal trend which usually shows a distinct upturn in March. Total sales to date are 12 per cent below the first quarter of 1931.

Analyzed by provinces the figures show some interesting comparisons. Three areas, namely New Brunswick, Nova Scotia and Newfoundland show incrceases for the month as compared with the same month a year ago, but substantial losses in Quebec and Ontario were factors most responsible for the decline in total sales. Comparative figures follow:

Ordinary Sales of Life Insurance By Provinces In March

	1932 $	1931 $
Alberta	$1,846,000	$2,277,000
B. C.	2,391,000	2,853,000
Man.	1,848,000	2,731,000
N. B.	979,000	925,000
N. S.	1,311,000	1,200,000
Ont.	16,035,000	19,647,000
Quebec	11,354,000	15,228,000
P. E. I.	105,000	116,000
Sask.	1,337,000	1,717,000
Nfld.	261,000	251,000
Total	$37,467,000	$46,945,000

New Insurance Code Drawn Up in Manitoba

Law amendments committee of the Manitoba Legislature has been for some weeks considering a bill for a Manitoba Insurance Act, a bulky document consolidating six previous acts dealing with insurance of different forms.

At one sitting, Manitoba manufacturers made representations that insurance companies be permitted to make contracts for period not exceeding three years, instead of restricting the period of contract to one year, as the bill, if not amended would do. Contracts of only one year were detrimental to both manufacturers and insurance companies, were also detrimental to the province.

If three-year contracts were not allowed, manufacturers would place fire insurance in companies operating outside the province, it was urged.

Current Events in Banking World

Biggest Waste In Banks Is Unused Brain-Power

Bank Manager Says That Too Little Attention is Paid to This Subject by Head Offices

By a Bank Manager

The biggest frozen asset of our banks today, and one that might with a little co-ordinated effort become the most liquid, is the latent brain power of the average employee. The growing problems of bank operation and finance, and intelligent interpretation of the signs of the times, call for something more than an ordinary amount of knowledge and the minimum of effort, and the sooner the tremendous waste of man-power is harnessed and utilized more effectively the sooner will banks achieve the real economy.

Waste is reflected in many ways, in costly mistakes through ignorance, together with long delays and general inefficiency which are the natural consequence of not knowing (and often not caring) the best course to take in a given problem.

It is not a fact that while a number of our banks have been busy supervising the care to be given in the use of lead pencils, rubber bands and paper clips, they have neglected to train and make use of the latent brain power of their employees?

Economy in small items should of course not be overlooked, but at the same time small economies in a big bank should not be overemphasized while the larger things, such as the education of the staff in the elimination of duplication and unnecessary loss of time in dealing with the daily problems, is allowed to drift.

Without doubt the best method to pursue will be to begin at the bottom and work up gradually, and this will mean impressing upon the mind of the young banker, the importance of greater mental development if he is to benefit not only himself but the institution which employs him. Consider for a moment the question of letter writing. Read one written by the average teller. In nine cases out of ten he will waste much time and paper in writing quite a simple epistle, for no other reason than because he has never tried to write a simple business letter off his own bat, although he has probably read hundreds of them. This example has only to be tried to be believed.

Compare this with the few who have made a study of the art of letter writing (it is an art) and it will be found that they can dictate readily, cover subjects thoroughly and clearly in not too many words. Not only do they write better letters in less time but they save stationery to say nothing of postage—they are not forced to write covering letters of explanation to explain what was omitted in the first instance. It is possible even to find correspondence men in banks who could improve their work 50 per cent by a little study.

There are other forms of waste taking place continuously on the firing line of our banks due to low brain power. For example, take the case of employees whose knowledge of sound banking practice and banking law is limited; they waste hours of time as they struggle along not knowing what best to do or how to go about it. They may be excellent economists in regard to the small items of expense such as saving rubber bands and not using forms for scribbling paper, but their lack of training finds them unable to cope with many a simple question without reference to some higher official who should not have to waste his time in answering questions which they should know. Had they been fortified in advance with the knowledge which they should and could have had, great economies could be effected. A half-an-hour's study each day would work wonders and make the daily task much easier and more interesting.

Education Never Complete

With problem after problem coming along, it is evident that there is no such thing as graduating from the school of modern banking practice. Not only are study days never over, but the older the banker grows and the higher he rises, the harder he must study. Education ends only when the banker ends his career.

Let every young man entering the banking business, who contemplates advancement, fully and carefully equip himself to meet every day requirements and problems. The banking courses, now available on such attractive terms, are provided for this express purpose and they are proving their value as many can vouch for from their own experience.

SPRING BUSY TIME FOR CREDIT COMPANY

Agricultural Loan Body Plans Placing Livestock in Near Future

Spring has brought a considerable increase in the number of requests for information regarding activities of Dominion Agricultural Credit Co., according to H. O. Powell, vice-president and general manager.

The company is preparing for a very active period of spring work commencing in the summer season and is prepared to place livestock on farms in Manitoba, Saskatchewan and Alberta, according to information published by the Department of Immigration and Colonization of the C. P. R. Livestock will be placed with responsible farmers and advantageous terms to both the agriculturist and the provinces as a whole, it is stated.

Although it was late last year before the company was in a position to commence the actual work of assistance, considerable numbers of livestock were located, purchased and re-located as foundation stock in new localities, and toward the end of this year the farmers will begin to appreciate returns from the stock so located.

Prairie farmers are including in their arrangements for this year's crop, special allotments for pasturage and feed of numbers of sheep and cattle that are being placed with them by the company as foundation stock.

In commenting on the fact that enquiries were increasing with regard to the purchase of livestock on credit, Mr. Powell pointed out that many farmers were asking for this information in order that they might make arrangements for pasturing and fencing during the summer and fall.

Weekly Bank Clearings

Eastern Cities

	Apr. 16, 1931	Apr. 14, 1932
Halifax	$ 3,111,449	$ 2,175,346
Saint John	2,428,278	1,695,576
Moncton	961,900	694,220
Sherbrooke	825,078	555,865
Quebec	5,784,928	3,687,509
Ottawa	5,805,290	4,892,385
Montreal	117,662,753	64,314,559
Kingston	625,416	518,699
Peterboro'	704,378	530,228
Toronto	116,959,586	63,655,942
Hamilton	5,164,633	3,504,723
Kitchener	1,095,295	813,333
Brantford	1,085,553	783,092
London	2,828,672	2,232,380
Chatham	580,377	457,103
Windsor	4,331,345	2,461,380
Sarnia	602,215	344,869
Sudbury	743,813	463,735

Western Cities

	Apr. 16, 1931	Apr. 14, 1932
Fort William	$ 745,974	$ 533,205
Winnipeg	41,525,065	40,493,995
Brandon	435,132	295,652
Moose Jaw	800,335	447,119
Regina	3,823,529	2,979,976
Saskatoon	1,545,092	1,122,364
Prince Albert	453,995	239,851
Edmonton	5,203,473	3,678,796
Calgary	6,090,718	4,556,190
Medicine Hat	228,808	166,466
Lethbridge	435,461	336,626
New Westminster	609,426	462,298
Vancouver	15,590,823	12,499,860
Victoria	1,882,611	1,340,261

Dominion Gives Bond to Secure Manitoba Loan

A statement made by Premier Bennett in the House of Commons concerning negotiations between the Dominion Government, the Province of Manitoba, and the chartered banks, in connection with the provincial savings office, shows that the Dominion agreed to advance cash to the banks to cover possible withdrawals by depositors and that it has guaranteed advances made by the chartered banks in taking over the savings office. This is of particular importance in view of the fact that the federal government refused assistance to the province, directly.

The original guarantee took the form of a letter over the signature of Premier Bennett, but a federal treasury note for $12,000,000 has been issued to the banks since, this being the total amount of the advances.

Most of this sum is secured by provincial and municipal securities which belonged to the savings office, and any deficiency in realization of the total advance, from the liquidation of these securities, will be made up by the banks using part of the guarantee given by the federal note. Presumably the Dominion Government will have a claim on the Province of Manitoba in the event of having to make good any such loss.

Bank Chat

Adam Stemmed Raid on Bank

G. G. Adam, manager of the main Toronto branch of the Bank of Montreal, is about to retire. He once had an opportunity to show bankers an uncommon example of good banking judgment when a run on the Dominion Bank occurred. With admirable foresight Mr. Adam grasped the meaning of this confusing situation. After hearing the circumstances, he calmly reached for the phone and gave instructions: "Go ahead. Pay out. I am sending all the cash you will want." A few minutes later messengers dumped Bank of Montreal bills in Dominion Bank cages and the run was stopped almost immediately.

Imperial Bank of Canada has made the following staff appointments:

E. SMITH, manager of the Preston, Ont., branch to be manager of the Schomberg, Ont., branlh.

F. D. THOMPSON, of the Vancouver branch, to be manager of the Preston, Ont., branch.

E. REBURN, manager of the Trochu, Alta., branch to be manager of the Donalda, Alta., branch, the branch at Trochu to be closed on April 30, 1932, and the branch at Donalda to be opened on May 2, 1932.

The Canadian Bank of Commerce announces the following changes in staff appointments:

P. S. CRAIB, manager at Lougheed, Alta., has been appointed manager at Hanna, Alta.

J. B. FEENEY, manager at Onoway, Alta., has been appointed manager at Lougheed, Alta.

A. H. TEMPLETON, manager at Hanna, Alta., has been appointed manager at Olds, Alta.

H. B. ROBINSON, manager at Cayley, Alta., has been appointed manager at Onoway, Alta.

G. J. McRAE, manager at North Winnipeg, to be an assistant inspector for the Superintendent's Department (Winnipeg).

J. R. McLEOD, manager at Brant, Alta., has been appointed manager at Bawlf, Alta.

A. SMITH, manager at Swift Current, Sask., has been appointed manager at Brandon, Man.

A. M. WATT, accountant at Champion, Alta., will be in charge at Brant, Alta.

J. C. RIDDELL, manager at Brandon, has been appointed manager at North Winnipeg, Man.

Bank of Montreal announces the following changes and staff appointments:

T. K. HALLER, manager of the Arnprior, Ont., branch, to become manager of the Lachute, Que., branch.

A. E. KNOPF, manager, Mt. Royal Ave. & St. Lawrence Blvd., Montreal, to Sherbrooke St. & St. Lawrence Blvd. as manager.

W. E. HOPKINS, manager, Sherbrooke St. & St. Lawrence Blvd., Montreal, to Cornwall, as manager.

A. A. STEWART, manager, Cornwall, to St. Henri, Montreal, as manager.

A. S. MAGUIRE, manager, Ste. Agathe des Monts, to Beauharnois, as manager.

C. M. V. HAMILTON, manager, Lachute, to Claremont Ave. & Sherbrooke St. Westmount, as manager.

F. A. ALLAN, manager, Claremont Ave. & Sherbrooke St. Westmount, to St. Antoine & Windsor Sts., Montreal, as manager.

W. R. BELCHER, manager, St. Catharines, to Kingston, as manager.

J. H. MATSON, West Lorne, manager, to Market Square, London, as assistant manager.

J. A. FISHER, head office, to Arnprior, as manager.

H. V. CULLINEN, manager, Craig St. & Place d'Armes Hill, Montreal, to Mt. Royal Ave. & St. Lawrence Blvd. as manager.

W. M. JACKSON, manager, Notre Dame & McCord Streets, Montreal, to Montreal West, as manager.

W. H. BEACOM, manager, Rumsey, to Bentley, as manager.

J. CUTHBERTSON, manager, Wainwright, to Melville, as manager.

A. E. MUNSON, manager, Nobleford, to Westlock, as manager.

A. H. TRUEMAN, assistant inspector, Head Office, to Paris, Ont., as manager.

K. R. MONTIZAMBERT, manager, Paris, Ont., to Dupont St., Toronto, as manager.

While the average person can hardly grasp the significance of the enormous sums of money such as were dealt with in the Rhodes budget, most of us, however, can understand the difference between a two and a three cent cheque tax.

Ontario Savings Office Deposits Up $3,548,726

Total deposits of the Province of Ontario savings office at Oct. 31, 1931, amounted to $26,855,844, being an increase of $3,548,726 over the previous year.

During the year, some 20,000 new accounts were opened which corresponds very closely with the number opened in the 1930 fiscal year.

Profits realized on operations for the year were $25.026, an increase of $11,268 over 1930, bringing the balance in surplus account up to $211,802.

All told the savings office had about 90,000 depositors on its books at Oct. 31, 1931.

All funds received for deposit are transferred to the Provincial Treasurer and become part of the consolidated revenue account of the province as the office does not make any personal loans or investments itself.

Wants to Increase Prices Via Inflated Currency

Robert Gardiner, leader of the Progressive party in the House of Commons, Ottawa, introduced a sub-amendment to the budget recently, the purpose of which is to correct what he believes to be certain fundamental defects in the present economic system. He plans a remedy by nationalizing the financial system and by authorizing currency inflation.

Under this sub-amendment, provision would be made "to issue immediately sufficient money to bring the value of the dollar as speedily as possible to that point at which the major portion of our debts were incurred during the war; stabilize the dollar at this point internally, and thereafter manage credit and currency issue to secure and maintain a stable price level in Canada."

Other suggestions made by Mr. Gardiner were conscription of personal incomes in excess of $20,000 to $25,000, limitation of the practice of usury, and taxation into circulation of saving bank deposits in Canada.

7½% Earned
for more than 20 years—indicates the excellent investment value of a policy in
The MONARCH LIFE ASSURANCE COMPANY
HEAD OFFICE—WINNIPEG

—also outstanding in Security and Protection to the policyholder. Your inquiry will be welcomed.

"I increased every man's territory and cut his travelling expenses—"

"When I took over the Sales Management I found that our men were spending far too much time and money travelling from place to place and not contacting their customers often enough.

"So I cut down their travelling and told them to use the telephone more often. Later I was able to increase each man's territory because they could 'cover the ground' much more quickly in that way.

"Now, every man makes a personal visit to each of his customers every six weeks instead of three and telephones him twice in the interval.

"We are getting far more business, because customers feel that we are interested in them and their needs, and our salesmen lose no time on fruitless calls."

Frequent contact with customers over long distance telephone brings in the orders that you might otherwise miss.

THE BELL TELEPHONE COMPANY OF CANADA

SECOND SECTION

THE FINANCIAL POST

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DEBT ADJUSTMENT IS FAR-REACHING IN BRACKEN PLAN

Municipalities Fear It May Interfere With Tax Collection

From Our Own Correspondent

WINNIPEG.—An extensive programme of debt relief and adjustment has been announced by Premier Bracken, to be implemented by legislation. It involves the province in its rôle as creditor, through the Farm Loans Association and other lending bodies, the municipalities on account of overdue taxes and numerous private creditors.

While no formal moratorium is declared, protection is provided against foreclosure, eviction or seizure in the case of farmers or home owners, and against foreclosure or eviction in the case of other owners of land. This is to be effected by barring such action when the only default is on account of principal owing, unless the creditor shall first secure an authorizing order from the debt adjustment board. Under the law as it now stands a debtor can apply for a restraining order, but the initiative in such reference to the commissioner is now transferred from the debtor to the creditor. The issuance of a restraining order will lie in the judgment of the board in accordance with the willingness of either party to accept terms which may be suggested by the board.

On debts due to the government it is provided that arrears of interest and of principal may be consolidated, and arrangements made to amortize them over a term of years. The government will give a bonus of thirty per cent on all payments made, crediting the debtor with $1.30 for each $1 actually paid. This will apply to money due to the Farm Loans Associations, to rural credit societies, and debts owing under various seed grain, animal purchase, and fodder supply acts, and also well-boring accounts.

Municipalities are to be given the power to write off from tax arrears the whole or any part of penalties, interest or costs in connection with overdue taxes. Whether municipalities choose to exercise this power, and the extent to which it will be exercised, is to be left to their discretion. Announcement of this provision has already caused a good deal of disturbance in the minds of those interested in rural municipal finance. On the whole, finances of Manitoba rural municipalities were in excellent shape up to two years ago. The farmer tended to be a prompt taxpayer, and municipal councils as a rule kept their expenditures within the money actually collected. When taxes did not yield the full amount budgeted for, it was customary to cut down the budgeted expense. But during the past two years a number of farmers have found themselves unable to pay their taxes, and the idea that a part of such taxes might ultimately be cancelled began to spread. This led in many cases to delay on the part of others in tax payments, in order that they might share in any benefits later extended. Municipal leaders, who, on the whole, represent a very solid type of farmers, have struggled against this tendency, but with incomplete success. The task of making discriminatory adjustment as between different taxpayers, and the probability of incurring difficulties with those farmers who have been prompt in their payments, is alarming some of them.

Outside of its own legislative proposals the government announces that it has recommended to the Ottawa Government that the Dominion Bankruptcy Act should be amended in order to enable farmers to get court approval of compromises with their creditors without first having to make an assignment in bankruptcy.

Saskatchewan's Plan

From Our Own Correspondent

REGINA.—While the Saskatchewan legislature adopted some of the recommendations of its debt adjustment committee, it declined, just before adjournment, to accept the most drastic. That was to the effect that no action for any debt in the province for more than $100 be instituted without the prior approval being obtained of the debt adjustment commissioner. This was strongly opposed by the provincial treasurer and other members of the government, who considered that it would be accepted as the declaration of a moratorium in Saskatchewan and be highly injurious to the credit of the province. Similarly, proposals of the committee that foreclosure actions and seizures should require the preliminary consent of the commissioner met the same fate but the law was amended to provide that preliminary to such actions twenty days' notice must be given to the debt adjustment commissioner, in whose power it lies to issue a certificate to the applicant which would act as stay of proceedings in that particular case.

The Judgment Summons Act was suspended to April, 1934. The debt adjustment commissioner was made a trustee in bankruptcy. Retailers and urban dwellers were brought within the scope of the Debt Adjustment Act, but not so as to interfere with the operations of the Bankruptcy Act.

Security of vendors of farm implements, automobiles, radio sets and similar articles customarily sold on deferred terms, so far as future sales are concerned, is limited to the article sold, and vendors may not in future take security on other articles or on crops.

No crop lease taken in respect to a mortgage for 1932 shall be valid for more than one-third of the crop and out of that third the mortgagor is to be allowed to deduct one year's taxes.

Seizures in future may be made only by the sheriff or at his direction, the effect being to bring private bailiffs under the control of sheriffs.

Where individual cases of hardship through pressure of creditors is reported, a moratorium with respect to the individual may be declared under authority of the government, and the recommendation of the debt adjustment commission.

Authority is given to the government for the appointment of a debt adjustment commission to consist of three members, who may be employed on a part time basis.

Ocean Steamship Lines Start on Difficult Season

Transatlantic Passenger Rates Now Down to 1918 Levels; St. Lawrence Route Fares Will Affect C. P. R.

From Our Own Correspondent

MONTREAL.—To what extent the recent 20 per cent cut in transatlantic passenger fares will stimulate travel during the coming year is a question which looms large in shipping circles. Faced with a drastic falling off in demand for accommodation, steamship companies have put forth every effort to broaden their passenger lists; now as a last resort they have slashed regular transatlantic rates by one-fifth but the results of this distasteful medicine will not be fully known until the close of the summer season.

Certainly the rate cut is a drastic measure for it brings fares down to a level only marginally higher than those prevailing in 1918. But at that time many of the ships were in government service and what passenger needs there were could be accommodated in a few ships.

Face Serious Problem

Today shipping firms are faced with a major problem. Not only has the demand for passenger services fallen sharply but rates have been cut and, worst of all, carrying charges on the full fleets remain unchanged. Since 1918 there has been wide expansion in all passenger fleets; giant boats have been constructed, many at a time when building costs were at their highest peak There is no war service to absorb the surplus shipping; all companies are striving to fill their depleted passenger lists by their own efforts.

Steamship officials are not entirely hopeful that the rate reduction will lead to a corresponding increase in traffic. Economic conditions are such that the spending power of the public has been sadly reduced; even lower fares in many cases can do nothing to induce the regular traveller to embark on an ocean voyage.

Reduce Working Expenses

Operating costs have been cut as far as possible but reduction of working expenses on a passenger liner is a difficult problem. Unlike the railways, which can cut the number of cars on different trains, a passenger liner must propel its full tonnage across the ocean with an unvarying consumption of fuel. The whole ship must be maintained; part of it cannot be laid up in the yards pending an improvement in business conditions.

Regular sailings must be maintained, otherwise prestige is lost. Whether they are empty or full the big liners must keep to their schedules with a full complement of crew. Costs of maintenance remain largely unchanged; depreciation charges must be provided.

Above all are the fixed charges on each ship. Following the end of the war, tourist travel to Europe reached unheard of peaks and steamship companies vied with each other in building new vessels of large proportions From 1921 to 1925 the Cunard Line alone completed 19 new liners; the Canadian Pacific has built its well-known Duchesses and more recently the Empress of Britain; the Bremen and the Europa of the North German Lloyd made their sensational appearance together with others of leading lines. The majority of these were constructed when costs were high and the resultant fixed charges are difficult to bear under prevailing conditions.

Revenue Falls Away

Costs have been cut, however, though not to the extent that revenue has declined. Take for example the profit and loss figures of the Cunard Line, one of the greatest factors in British shipping. Total revenue in 1931 was £5,614,311 down over £2,000,000 from the previous year and comparing with £9,425,606 in 1929. Operating costs in 1931 were reduced over £1,700,000 at £5,217,802 but after all charges including interest and depreciation there was a net loss for the year of £553,204. Similar details of Canadian Pacific Steamships are not made public.

What are shipping companies doing to combat the serious decline in transatlantic passenger traffic? The seasonal aspect of their business presents one of the greatest problems in addition to the drop in traffic. Formerly transportation of emigrants provided an all-year round source of revenue but this has dropped away in recent years leaving great activity for perhaps four months of the year and the balance dependent on general business.

Cruises Stabilize Activity

Winter cruises and short cruises have proved an excellent means of increasing the load factor in slack seasons. The scope of this activity has been increased widely in recent years and various companies are regularly fitting out ships for cruises to warm climates during the winter months. Even these have suffered to some extent in the past year and further steps to induce travel have been taken by the inauguration of short cruises. These have become increasingly popular and have proved a useful means of keeping the liners in active commission with a pay load.

Await Results of Cut

But the transatlantic traffic is and will remain the great revenue producer and what effect a 20 per cent rate cut is going to have on total revenues still remains to be seen. The Canadian Pacific Steamships, largest factor in Canadian shipping, has brought its fares down in line with the rest; investors in the railroad's securities will anxiously await details of activity this summer on the St. Lawrence route.

SCOTIA STEEL EARNING POWER LOWER IN 1931

Profits Register Decline From $700,695 to $67,932

From Our Own Correspondent

MONTREAL.—Consolidated income account of Nova Scotia Steel and Coal Co. for 1931 shows a sharp curtailment in operating profits, with a total of $67,932 comparing with $700,695 in 1930.

Provision was made for the same sinking fund and depreciation charges in 1931 as in 1930 and after taking care of fixed charges, there was a net loss for the year of $1,012,451, as against a deficit of $435,516 in 1930. Eastern Car Co. again paid a dividend on its preference stock amounting to $45,000.

Report on Income

Details of profit and loss account for 1931 and 1930 follow:

	1930 $	1931 $
Operating profit ...	633,476	21,148
Add: Inter-Co. int. ..	67,219	46,784
Net earnings	700,695	67,932
Less: S. F. & dep. ...	499,800	499,800
Interest chgs.	578,238	567,635
Bank interest	13,173	12,947
Net loss for year	890,516	1,012,450
Eastern Car divd. ...	45,000	45,000
Balance	*435,516	1,057,450
Brt. forward	463,889	28,373
Carried forward	28,373	1,029,077

*Deficit.

At the end of December, 1931, the consolidated balance sheet of Nova Scotia Steel showed assets of $28,594,004, as against $29,715,545 at the end of the preceding year.

Capital assets were shown on the books, less depreciation and depletion reserves, at $25,389,490. This compares with $25,942,243 at the end of 1930.

Lower Current Assets

Current assets of the company totalled $1,751,562, or about $500,000 less than in the previous year. Inventories have been reduced from $1,608,546 to $1,114,492. Trade accounts are down slightly at $414,535, while cash on hand has been reduced from $279,683 to $142,395.

Balances receivable in liquidation of current accounts of associated companies have been increased from $1,187,320 to $1,261,499.

Reduce Funded Debt

On the liability side of the balance sheet, the funded debt obligations of the company have been reduced from $10,410,099 to $10,239,596.

Current liabilities are slightly lower at $388,227.

There has been no change in capital stock outstanding. The capital surplus remains the same at $1,775,965, while the operating surplus of $28,373 has been changed to a deficit of $1,029,077.

To Inspect B. C. Canned Salmon

Under an order-in-council passed by the Dominion Government, all British Columbia canned salmon will be inspected by a permanent federal board on and after June 1st.

DOMINION COAL REPORT FOR 1931 WORST IN YEARS

Profit of Only $31,341 Shown on Operations

From Our Own Correspondent

MONTREAL. — Dominion Coal Co. operating profit for 1931 was the lowest reported for many years, due, according to the management, to the decline in the consumption of coal in the region commercially accessible to the Nova Scotian mines and to the relatively high cost of mining.

Net operating profits last year, after providing for the transference of half of the net profit of the Springhill divisions of the Cumberland Railway and Coal Co., amounted to $31,341. This compares with $1,120,216 in the preceding year. After providing for sinking fund, depreciation and interest charges there was a loss in 1931 of $1,223,071, as against a deficit of $149,424 in the preceding year. Consequently the surplus of $1,069,501 at the end of 1930 was reduced to $153,569.

Show Heavy Loss

Particulars of the profit and loss account for the past two years follow:

	1931 $	1930 $
Net operating profit..	31,342	1,120,216
Less:		
S. F. & depreciation	730,000	730,000
Int. on 1st mtge. ..	172,609	185,700
Int. on rly. bonds ..	124,460	126,596
Int. on inc. bonds ..	210,000	210,000
Disc. on bonds	17,344	17,344
Loss for year	1,223,071	149,424
Brt. forward	1,069,502	1,218,926
Carried forward	153,569	1,069,502

There was a reduction in assets during the year from $31,202,326 to $29,304,150. The cost of properties, less depreciation and depletion, is shown on the books at $25,451,912, or practically the same as a year ago.

Current Assets Lower

Current assets total $3,525,205, down from $4,859,106 at the end of the preceding year. Inventories show a reduction of about $900,000 at $1,742,474, while trade accounts receivable, less reserve, are off nearly $500,000 to $1,280,812. Cash on hand has declined nearly 50 per cent to $222,816.

Bank Loan Reduced

Current liabilities have been curtailed from $1,675,305 to $868,463. The most notable change here is the reduction in bank loans from $1,141,016 to $458,818.

Balances payable in liquidation of current accounts with associated companies show an increase from $1,887,311 to $2,145,127.

Deferred charges to operations remain about the same.

Among liabilities, the funded debt of the company shows a reduction from $7,129,500 to $6,863,500.

Miscellaneous operating reserves have been increased from $1,440,708 to $1,580,628.

There is no change in the capital stock of the company.

BATHURST PAPER RECORDS DEFICIT ON 1931 BUSINESS

Working Capital Strong But Inventories Are Large

From Our Own Correspondent

MONTREAL.—An operating loss and comparatively large inventories in relation to the volume of business transacted are features of the annual report of Bathurst Power and Paper Co. for 1931.

Last year sales of newsprint were slightly under 10,000 tons and the average price realized was substantially lower than in the preceding year. No details are given in respect to the volume of pulp business transacted or income from the new board mill, but the loss from operations, after providing for a depletion charge of $1 per cord on wood cut, was $86,460. Added to this was an outlay for idle expenses, bad debts and other charges totalling $115,104, bringing the deficit for the year up to $201,565, before providing for depreciation on buildings, plants and machinery.

Surplus to Deficit

In the preceding year the company was able to show an operating profit and after taking care of all charges a surplus of $73,082.

Particulars of the income account for the past two years follow:

	1931 $	1930 $	1929 $
Oper. prof.	†86,460	132,053	281,550
Deprec.	......	......	200,000
Balance	*86,460	132,953	81,550
‡Write-off	115,104	59,871	......
Balance	*201,565	73,082	81,550
Divid.	......	......	100,000
Surplus	*201,565	73,082	*18,450
§Prev. bal.	160,704	107,918	121,748
P. & L. bal.	*40,860	181,000	103,298

†Operating loss.
‡Idle expenses, bad debts and other adjustments.
*Deficit.
§After adjustments.

Assets Are Lower

Examination of the balance sheet as at the end of last year shows assets of $24,790,526, of which $22,445,087 represents property. At the end of the preceding year, property had a value of $22,276,230 and all assets, $25,048,022.

Inventories are shown on the balance sheet at $1,308,180, down from $1,545,410 at the end of 1930. Accounts receivable are off from $279,583 to $137,599. There has been an increase in investments to $678,293, represented by government, municipal and other bonds with a quoted value of $594,902. This increase in investments is offset by a decline in cash from $236,420 to $59,322 and the wiping out of call loans of $50,000 shown in the 1930 report.

Small Current Liabilities

Current liabilities of the company are limited, amounting to only $96,233, as against $122,942 a year ago. The net working capital position at the end of last year was $2,103,486, compared to $2,493,426 a year ago.

In commenting upon operations last year, S. B. Bond, secretary, had the following to say by order of the board of directors:

"The company has booked contracts for the current year which are sufficient to allow for a 50 per cent operation of one machine. Sales of sulphite pulp were below the previous year and the price realized was unproductive of profit.

"During the year arrangements were completed for the manufacture of kraft liner board, one newsprint machine being equipped for that purpose at a cost of approximately $165,000, and went into complete operation at the end of the year. The product has been favorably received in the trade and prospects for 1932 indicate that the company may expect to receive its fair share of the business.

"The balance sheet reflects an excellent financial position with net current assets exceeding $2,100,000 and with a ratio of current assets to liabilities in excess of 22 to 1. Cash and marketable securities (at quoted values) together are in excess of $654,000. Your company has no funded indebtedness or bank loans."

REGENT KNITTING REPORTS DEFICIT AFTER CHARGES

Inventories Are Reduced and Bank Loans Lower

From Our Own Correspondent

MONTREAL.—Net sales of Regent Knitting Mills in 1931, declined by 13 per cent compared with 1930; inventories decreased 28 per cent, bonds redeemed totalled $71,600, and bank loans were reduced by $60,000. It is stated there is now considerable activity in most departments and booked orders for the first quarter of 1932 compare favorably with the previous year, though value of goods is much lower.

Reduced sales last year have found reflection in profits. Net earnings were $19,958, compared with $61,653; former details of gross profits and expenditures are not given in the current statement. After payment of bond interest, depreciation and reserve for bad debt, there was a deficit of $131,605 compared with a deficit of $101,711 in 1930. Profit and loss surplus at the end of the year stood at $288,845 compared with $412,794 at the end of 1930 and $606,937 at the end of 1929.

Profit and Loss Figures

Following is a comparison of profit and loss figures for the past two years:

	1931 $	1930 $
Gross	......	275,779
Expenses	......	214,126
Net earn.	19,958	61,653
Bond int., etc.	54,064	31,622
Bd. D. amort.	......	6,480
Deprec.	75,000	75,000
B. D. reserves	22,500	......
†Loss	......	8,116
‡Reserves	......	42,146
Net pro.	*131,605	*101,711
Prev. surp.	^420,450	606,937
Balance	288,845	505,226
Written-off	......	§92,432
P. & L. bal.	288,845	412,794

*Loss.
‡For depreciation of inventory.
§Bond discount, $32,400; and moving expenses, $60,032.
^After addition of $7,656 profit on redemption of bonds.
†Due to reduction in raw materials.

Working Capital Lower

The balance sheet shows current assets of $887,441 and current liabilities of $451,381 leaving a net working capital of $436,060, compared with $636,706 at the end of 1930.

A further reduction in inventories is noteworthy. These are carried at $601,790 down from $794,156 and $959,023 in 1929. Cash is up $14,000 at $56,338 and accounts receivable are practically unchanged at $229,312. Cash surrender value of life insurance has been reduced by $31,000 to $19,856 and deferred charges are up $30,000 at $54,109. During the year, $22,000 was spent on plant which is carried at $1,776,518 less depreciation reserve of $552,588.

Bank Loans Reduced

In liabilities, bank loans are down $60,000 at $330,000 and a former item of notes payable totalling $10,587 has been eliminated. Accounts payable are up $42,000 at $88,374; a director's loan of $21,000 has been liquidated.

During the year there were redeemed $71,600 of 6½ per cent first mortgage bonds leaving $391,000 outstanding. Capital structure is unchanged. Total assets of $2,737,928 compare with $2,960,812 in 1930.

Remarks to Shareholders

In his remarks to shareholders, C. G. de Tonnancour, president of the company says in part:

"In the spring of 1931, your directors retained the services of industrial engineers to make a survey and, eventually, made a contract to reorganize the plant at St. Jerome; by August 1st, conditions changed with the result that the last four months of the year were profitable. The full effect of these changes and improvements will show more conclusively during the present year."

Dominion Steel & Coal Profit Sharply Curtailled

Big Maritime Concern Feels Pinch of Depression in 1931; Improvement Made in Financial Position

From Our Own Correspondent

MONTREAL.—Reflecting unsatisfactory conditions in the iron, steel and coal trade, operating income of Dominion Steel and Coal Corp. and subsidiary companies for 1931 amounted to only $813,736. This compares with $2,296,390 in the preceding year.

In surveying operations last year, Sir Newton Moore, the new president, stated that the serious shrinkage in railway traffic had an adverse influence upon the consumption of coal and of the forms of steel which usually absorb a large part of the output of the works operated by the companies in the Dominion Steel group. Output of coal was off nearly 22 per cent, while domestic consumption of steel products was about two thirds of the tonnage absorbed in the previous year.

Fixed Charges Unearned

Income account shows that after making provision for sinking fund, depreciation and depletion in minerals, there remained a balance of $226,368 which was $572,129 short of taking care of fixed charges. To this was added profits of $19,665, being profit on the St. Lawrence Wire Co. and Security Fence Co. which reduced the surplus at the end of December, 1930, of $858,433 to $305,969.

Particulars of the profit and loss income account for the past two years follows:

	1931 $	1930 $
Oper. prof.	813,736	2,296,390
*Deduct	587,368	758,497
Balance	226,368	1,537,893
Interest	798,497	679,458
Balance	†572,129	858,433
Prev. bal.	‡878,098	......
P. & L. Bal.	305,969	858,433

*Provision for sinking fund, depreciation and depletion of minerals.
†Deficit.
‡After addition of $19,665, profits of St. Lawrence Wire Company, and Security Fence Company, at December 31, 1930.

There was further shrinkage in assets, the total at the end of 1931 being $48,271,333, as compared with $51,518,452 at the end of 1930. Fixed assets, less depreciation and reserves, are shown at $32,874,523; this compares with $33,643,641 at the end of the preceding year. Investments in stocks and securities of associated companies show no change, amount standing on the books at $5,681,278.

Current assets are shown at $8,449,500, down from $11,280,737. Inventories have been reduced from $7,826,717 to $6,268,191. Accounts receivable are off about $1,400,000 at $1,354,347.

Balances receivable from associated companies have increased from $699,992 to $883,628. Other items among assets show relatively few and unimportant changes.

Funded debt of Dominion Steel and Coal Corp. and subsidiary companies shows only a minor change from that reported a year ago—the total now being $9,813,547.

Deferred payments on property show a slight reduction at $828,268.

Reduce Bank Loan

The special bank loan of $4,530,000 remains unchanged, while bank loans, secured under section No. 88 of the Bank Act, show a sharp reduction from $3,003,178 to $904,825.

Operating and contingency reserves were reduced during the year from $1,507,723 to $1,248,849.

There is no change of importance in the capital stock position of the company.

Investment Trusts Swing Back to First Principles

Lessons Learned by British Organizations in '90's and Preached in Post in 1926 Are Re-Learned in America

By GORDON G. GATCH

ARTICLE THREE: BACK TO FIRST PRINCIPLES

To those unfamiliar with the early history of the investment trust in Scotland and England, it will come as a surprise to learn that the evils we are so familiar with, in connection with the development of such organizations in America during recent years, were almost an exact repetition of what happened in Britain half a century ago. The great records achieved by the British companies during our generation have been the result of knowledge gained from early trials and tribulations. The story was told by Mackenzie Williams in the series of articles on "The Investment Trusts and Its Place in Canada," which appeared in The Financial Post early in 1927 and which later were reprinted in booklet form.

After recounting the early success of the investment trusts in the '60s and '70s, Mr. Williams showed how the movement became popularized and received wide recognition and support in the early '80s. It was estimated that between 35 and 40 companies were in operation in 1886. We shall quote his words to describe the developments of the succeeding few years:

"At this period, rapid development was going on throughout the world. New railway enterprises were numerous. Industrial expansion was being carried out with aggressiveness. Investments in these directions promised large returns.......

Early Trials of Trusts

"New investment trusts multiplied rapidly, and in this period of buoyancy when easy profits seemed to be promised in connection with all ventures, the operations of the newer trusts became less and less conservative. Indeed, the operations of not a few were based on a purely speculative foundation. Many even took on promotion and underwriting as their chief functions. All kinds of abuses crept in, such as exploitation by dishonest managers. Huge profits were sometimes distributed to organizers through founders' stocks. Questionable securities held by individual directors personally were frequently unloaded on the trusts. Sometimes investments were confined too exclusively to one class of security or sometimes were confined too exclusively to the securities of one country. With the ebb of the industrial expansion tide and following the Baring crash in 1890, many trusts found themselves loaded with unseasoned, depreciated and, in many cases, worthless issues, which in part was due to their too close affiliation with their brokers, their bankers or sponsors.

House Cleaning in 90's

"A thorough house cleaning took place in the early 90's. Many trusts passed out. Capitalizations of others were drastically written down. The managements were changed and the methods of many of the less conservative trusts were revolutionized. The conservative practices of the well managed companies constituting the majority which came through that trying period received a widely recognized confirmation. This led to the final conception and adoption of those principles of investment trust development, management and methods of selection of investments which lie at the foundation of the almost uniform success of these British financial institutions since that time."

Is it not remarkable that this account, written in 1926, and describing a situation which existed in Great Britain so many years ago, should in such exact detail describe the developments on this continent during the five years since it was written?

A Warning and a Prophecy

In the closing article of his series, Mr. Williams went on to say:

"Undoubtedly, many of the errors and mistakes which characterized the early period in England and Scotland will be repeated by those making only superficial examination of the historical development or evolution of the investment trust. Close students are likely to recognize and avoid the pitfalls and profit by the priceless experience and resulting traditions of the British trusts. They need not repeat those early costly errors which were afterwards eliminated."

Investment Principle Remains Absolutely Sound

The investment trust principle, as brought down to us by the great Scottish and English institutions, remains absolutely sound, and as well suited to the economic conditions existing today as it ever has been during the seventy years since it has been in operation. Unquestionably it is just a matter of time until it will be applied in Canada as generally and as successfully as it has been in Great Britain, where, as we have seen, the investment trusts rank alongside the banks, the insurance and the general finance companies in the financial structure of the country. In Canada, the banks and the insurance companies have already assumed their destined positions. We have seen the importance of the British investment trusts as a factor in establishing Britain's pre-eminent position in world trade. An equal importance attaches to their development in Canada.

Profiting From Experiences of Others

Previous activities in the formation of investment trusts in Canada were, in a great majority of cases, either ill-timed—coming near the peak of the recent inflation period—or they were formed to further the selfish interests of the promoters, or as affiliates of investment banking houses, where in some cases they became, in effect, the outlets for the disposal of issues marketed by these houses. In either event, whether from error in timing or error in principle, the results to the shareholders have been unfortunate.

It is important to remember at this point, however, that there has never been any valid reason in this country to depart from the sound, demonstrated principles of the British companies, which, as we have seen, went through their period of trial and elimination over 40 years ago. There is no secret to successful operation. The records of the Scottish and English companies have been wide open for the guidance of those whose purposes were unselfish and who were willing to look ahead a few years to the profits which accrue from conservative operating methods.

The following tables, referred to in last week's article, are illuminating. They show the record of some of the leading British trusts.

Table No. 1 shows the net income available for the ordinary or common shareholders and Table No. 11 gives the dividend records down to date of all the companies for which records during the war years are available.

TABLE I. BRITISH INVESTMENT TRUSTS

Table showing the revenue available for ordinary stocks in post war years and during the last two depression years.

Company	Revenue Available for Ordinary 1924-25	1929-30	1930-31
Alliance Trust Co. Limited	£163,723	£284,027	£290,129
American Trust Co. Limited	15,407	43,668	44,897
British Canadian Trust Limited	14,546*	16,700	17,129
British Investment Trust Limited	156,892	209,556	206,197
Caledonian Trust Co. Limited	29,028	63,713	68,570
Clydesdale Investment Co., Limited	22,183*	64,953	64,446
East of Scotland Trust Limited	4,632*	12,188	15,675
Edinburgh Investment Trust Ltd.	57,395	82,325	72,252
First Scottish American Tr. Co. Ltd.	34,038	44,899	44,969
Northern American Trust Co. Ltd.	71,910*	130,790	132,699
Scottish American Inv. Co. Ltd.	129,509*	203,917	204,564
Scottish Investment Trust Co. Ltd.	32,126*	52,881	59,936
Scottish Northern Inv. Trust Ltd.	34,761	48,460	45,273
Scottish Western Inv. Co. Ltd.	66,089	88,059	92,993
Scottish Edinburgh Inv. Tr. Ltd.	40,029*	52,815	53,984
Second Scottish American Tr. Co. Ltd.	45,670	55,665	56,018
Second Scottish Invest. Tr. Co. Ltd.	38,260*	67,470	78,575
Second Northern Inv. Trust Ltd.	29,684	36,873	38,300
Third Edinburgh Inv. Trust Ltd.	22,900*	39,993	39,353
Third Scottish American Tr. Co. Ltd.	41,523*	43,450	44,312
United States Inv. Corporation Ltd.	12,093*	13,452	12,854
Totals	£1,062,398	£1,619,854	£1,683,125

TABLE II. BRITISH INVESTMENT TRUSTS

RATES OF DIVIDENDS, PER CENT ON ORDINARY SHARES, 1914-1931

Company	'14	'15	'16	'17	'18	'19	'20	'21	'22	'23	'24	'25	'26	'27	'28	'29	'30	'31	Note
Edinburgh Inv. Trust	17	17	20	20	20	..	..	10	10	10	12	12	12	12	12	12	12	12	†
Second Edinburgh Trust	..	12	12	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	†
Alliance Inv. Trust	18	19	19	19	19	19	19	20	21	21	22	23	24	25	25	25	25	25	†
British Inv. Trust	..	14	14	14	14	14	14	15	16	16	17	19	20	20	21	21	21	21	†
Caledonian Trust Co.	6	6	6	6	6	6	7	8	8	9	10	11	12	13	14	15	16	16	†
First Scottish American	..	9¾	9¾	9¾	9¾	9¾	9¾	9½	9½	9½	10	10½	11	11½	24	25	26	27	‡
Second Scottish American	9½	9½	9½	9½	9½	9½	9½	9½	9½	9½	10	10½	11	11½	24	25	26	27	‡
American Trust Co.	5	5	3	4	4	5	6	6	6	7	8	10	11	12	12	13	14	14	†
Scottish Inv. Trust	..	6	5	6	6	7	8	8	8	8	10	20	25	20	20	20	20	20	†
Scottish Northern Inv. Tr	8	6½	6½	6½	6½	7½	10	10	10	12	13	15	15	15	15	15	15	15	†
Third Edinburgh Inv. Trust	4	4	6	6	8	12	12	12	12	12	12	12	12	12	12	12	x	x	†
Third Scottish Amer. Ltd.	..	8¾	8¾	8¾	8¾	8¾	8¾	8¾	8¾	8¾	8¾	9½	9½	10½	10½	22	23	24	‡

1914-1929 figures from London Stock Exchange Year Book.
1930-1931 figures from latest Survey by London Financial Times.
NOTES—†Increase in Capital from 1925. ‡Decrease in Capital from 1925. x Not given in Times Survey.

Canada Bud Breweries Quarter Sales Increase

Sales of Canada Bud Breweries Ltd. in the quarter ended March 31, 1932, were substantially ahead of sales in the corresponding quarter of 1931, according to Charles E. Kiewel, managing director of the company, in a letter accompanying dividend cheques. Profits for January and February were also head of profits in the same months of 1931 while March figures are expected to be at least equal to last year.

Sales of City Club Breweries Ltd., subsidiary company, are stated to show an increase from month to month despite decline in total beer sales in Ontario, amounting to 12½ per cent for the quarter. With warm weather coming on, continued increase in sales is anticipated. Preparation has been made to handle this business and inventories are higher than in previous years.

Souris Now Boasts New Board of Trade

At a meeting held in Souris, Man., recently, a board of trade for the town was organized, and Dr. D. J. Fraser was elected president.

A canvassing of the town and district showed a paid-up membership of 84 at the meeting. W. G. Chapman was appointed secretary-treasurer.

CAN. INVESTORS NET EARNINGS 90C. PER SHARE

Loss on Securities Sold is Deducted From Capital Surplus

Net profits reported for Canadian Investors Corp. in the year ended January 31, 1932, are equal to 90 cents per share on 100,000 shares of no par value outstanding as against $1.15 per share in the previous year. Net losses of $448,598 on sale of securities to January 31, 1932, have been charged to capital surplus and have not been deducted from income. Revenue of the trust was $138,196, an increase on the $127,088 reported in the preceding year but interest paid on loans amounting to $37,144 reduced revenue to $101,053 before administration expenses.

At Jan. 31, 1932, break-up value of capital stock was $8.37 per share exclusive of prevailing premium on New York Exchange. One year previous the equity per share was $16.44. Early in 1931 the company liquidated its holdings of United States railroad stock and a number of other stocks listed on the New York Stock Exchange. Sales were effected considerably above current prices and since that time the company has been more active in high grade bonds than in stocks. The balance sheet shows investments in stocks and bonds at cost of $2,601,596 and the market value of these securities at Jan. 31, 1932, was $1,268,279. Depreciation, therefore, amounted to $1,333,317, or some 51.3 per cent of original cost. Distribution of the company's investments by classes of securities changed materially during the past year compared with distribution in previous years as follows:

Diversification as to Type of Security, As at January 31

	1932 %	1931 %	1930 %
Bonds & debentures	27.69	10.21	6.27
Preferred stocks ...	14.21	17.04	16.98
Common stocks	57.37	70.33	58.85
Cash	.73	2.42	17.90
	100.00	100.00	100.00

Classification as to Character of Economic Activity, as at January 31

	1932 %	1931 %	1930 %
Govt. & munic. secs.	15.42	0.89	0.34
Rlwys & steamships	....	3.33	3.92
Public utilities	37.18	34.34	17.16
Industrials	36.47	41.21	39.46
Oils	6.05	7.84	5.70
Financial institutions	2.44	8.33	11.83
Minerals	1.71	1.64	3.69
Cash	.73	2.42	17.90
	100.00	100.00	100.00

The trust has $19,083 cash compared with $29,911 shown the previous year when loans secured amounted to $36,176 in addition. Liabilities include secured broker's loans amounting to $230,965; secured bank loan of $200,000, neither of which items appeared in the balance sheet of the previous year. Accounts and dividends payable and provision for taxes total $30,655. Capital outstanding remains unchanged at 100,000 shares no par value but are carried at $1,000,000 as against $2,000,000 in the previous year. The additional $1,000,000 is added to capital surplus of $500,000 shown at the end of last year and from the total is deducted net losses on securities sold during 1931 amounting to $506,981 and the writing down of loans on account of depreciation in market values and securities to the extent of $22,385. From these two items is deducted reserve of $58,383 and capital surplus at January 31, 1932 is shown at $1,029,017, which is subject to depreciation in value of investments. Profit and loss account surplus is shown at $141,304. Income and surplus account for the past fiscal year is given as follows:

REVENUE ACCOUNT
Years Ended January 31

	1932 $	1931 $
Revenue:		
Int. & divds. from invest.	137,830	126,328
Int. on loans & bank bal..	366	760
	138,196	127,088
Less: Int. pd. on loans ...	37,144	......
	101,052	127,088
Less: Rent, salaries, office and gen. exp.	3,876	4,289
Registrar's & aud. fees..	2,036	2,445
Dom. inc. tax res.	5,323	5,614
Net profit	89,817	†114,740
Less dividends	80,000	100,000
Surplus for year	9,817	14,740
Add prev. balance	134,244	119,504
Less addit. inc. tax*	2,757	......
Balance forward	141,304	134,244

†Exclusive of losses on securities sold, $51,483, which are charged to reserve.
*Additional provision for income taxes for years ending Jan. 31, 1930 and 1931.

LAURA SECORD WORKING CAPITAL SHOWS INCREASE

Easter Business Brings Second Quarter Sales Ahead of 1931

Sales of Laura Secord Candy Shops Ltd. were well maintained in the quarter ended March 31, 1932, and with Easter business falling in March the total of sales was ahead of the same quarter of 1931 when Easter came in April. Surplus was increased by $6,022 during the quarter and working capital was higher. The balance sheet at March 31 gives effect to business in the first six months of the current fiscal year which ends September 30.

Current assets total $1,580,222 including investment in associate company carried at $79,731. Current liabilities total $77,754 and leave working capital at $1,502,468, which compares with $1,376,196 at Sept. 30, 1931. Included in current assets is $191,233 in cash; $1,202,760 in government and other bonds; and $106,499 in inventories. Some $51,000 has been added to value of bonds carried in the past quarter; cash is down $10,000 and inventories are up by $19,000.

Land, buildings, etc., remain at $722,439 but depreciation reserve has been increased by $29,013 in the quarter to $409,936, leaving value of net fixed assets at $312,504. Chief item in current liabilities is income tax reserve of $47,813 and accounts payable of $24,626. Capital stock is carried at $904,464 and surplus at $923,460.

Greater Value Than Ever Offered in 1932 Truck Models

Truck Manufacturers Cut Customers' Costs By New Developments

Services Offered to Industrial Users — Mechanical Advances — Lower Prices — More Variety — Make 1932 a Buyer's Year

Spring in 1932 brings prospective truck buyers and owners of commercial motor vehicles into contact with their annual problem of providing the season's transportation with a maximum of efficiency. This problem is accentuated by the difficulties of the present period apart entirely from the needs of individual business.

Lower costs are the aim of all truck users, especially at the present time, and this desirable objective can only be reached by analysis of the particular factors which are peculiar to a specific situation. There are still some large firms using horses for urban deliveries, for instance, who might well make a study of recent developments in modern motor truck construction which are designed to cope with this very problem. One manufacturer, for instance, has brought out a specialized truck chassis which allows the operator all the freedom he would have in driving a horse and which is expected to be popular with dairies and ice dealers and which also may provide the answer to the intra-city door to door delivery of parcels which is the problem of departmental stores.

Problems Studied in Detail

It is no exaggeration to say that truck buyers can have their wants supplied better today than ever before, because more actual study is being given to their problems. In some cases manufacturers have investigated individual business problems in detail so that they may provide them with the most efficient form of commercial transportation for their purpose.

A few years ago the main concern of the average truck dealer was to make sales, the best interests of the customer often being a secondary consideration. One result of this was that many trucks were sold which did not meet the exact requirements of the buyer and, therefore, did not perform efficiently. In such cases the buyer blamed the truck for the shortcomings of the salesman and he was lost as a prospect for resale. This has been one of the major factors in causing manufacturers and dealers to consult their clients' interests more carefully.

The new regulation in Ontario limiting the total length of trains of motor transports to 50 ft. has altered the transportation problem in a way which provides an instance of a service which truck producers are in a position to supply.

One of the effects of this ruling is that companies owning high-powered haulage units may now be using excessively powerful vehicles in the shorter trains allowed and might cut their costs materially by using smaller trucks. The facilities for research and the experience of manufacturers should be made use of to make decisions in such cases.

Salesmen Better Trained

In recent years it has become necessary for the truck salesman to acquire a good deal of specialized knowledge in order to make satisfactory sales, and to this end manufacturers have been training and equipping their representatives better than ever. One large truck organization, for instance, has made considerable progress in this problem of satisfying the customer. The company has built up its own organization of truck dealers, as a basic step, so that its knowledge and service may be supplied at first hand. It has also trained its sales force to use the information which has been accumulated and, in the case of one of its cars, has issued a manual which supplies the answer to nearly every conceivable query of the truck owner or buyer.

This manual is so indexed that, by consulting it, the salesman can tell almost at a glance whether there is a model of this car to suit the customer's needs. For instance, if a potential buyer desires a truck to carry coal in certain quantities, this index tells how to translate cubic yards of coal into pounds or vice versa, what body styles are available for such a use, what type of tires should be supplied, what the operator's fuel consumption should be, etc.

It is claimed by manufacturers that their disinterested compilation of statistics on all phases of commercial motor vehicle transportation has made them better qualified to calculate trucking costs than even some of the experienced truck operators. Certainly information and service of this nature, which is available without charge, should be used whenever possible by prospective buyers and truck owners.

Some downward movement in prices of commercial motor vehicles has been evident this year, but no drastic declines have taken place. Speaking of the motor truck industry as a whole, however, there never has been such value offered for the buyer's money as there is this spring. Some types of trucks are being sold at record low prices and, in the case of makes whose price has remained near last year's level, advances in construction and mechanical improvements compensate the purchaser.

The variety of makes available in the various chassis weights and price ranges is also better in 1932 than in previous years. Many makers have widened the scope of their activities by entering new [illegible] models which they did not attempt to produce before. Some manufacturers of heavier weight trucks have entered the light weight field and some of the makers of light models have begun to make heavier lines. This is a decided advantage to the buyer.

Highway Transportation Meets Needs of Business

This illustration shows Reo four-ton tractor hauling livestock trailer which is used for conveying show and prize stock on long distance runs. The trailer was built by Dominion Truck Equipment Co., Kitchener, Ont., and will accommodate nine horses or 18 cattle or 55 hogs. It is typical of the specialized service now available to business by makers of commercial motor vehicles.

TRUCK CHASSIS OF 1932 FORDS SAME AS 1931

Some New Body Designs Have Been Created Since Last Year

Ford has not incorporated the design of the new passenger cars in truck models as yet. As far as can be ascertained, no radical changes in the present truck models are planned within the next few months.

Ford trucks which are being sold at present are identical in style with the 1931 models. Whether or not the new passenger car designs will be used in truck models at a later date is uncertain. It is believed that the new eight cylinder engine would not be the most economical type to use for commercial transportation.

New body designs are, of course, always being developed. The latest of these is the Standrive delivery car designed for use in household delivery services and urban routes.

This particular model permits the operator to drive from a standing position and is designed primarily for delivering milk and ice.

In a sense it is not unlike a motor driven milk wagon having slidng side doors and low floor at the front end of the body. The rear storage compartment is of boxlike construction with liberal loading space which is reached from the driver's standing position in the front of the cab.

A special arrangement of controls has been made so that they are equally accessible from a standing position as when the driver is seated on the folding seat. The principal feature of operation of this model is the master control pedal which is pressed half way down to disengage the clutch and when pressed further applies four-wheel service brakes. Brakes may be locked in any position.

Mack Trucks Now Operating Toronto Plant

In order to serve the Canadian market in the most economical manner, Mack Trucks Inc., of New York, has established a plant at 1941 Yonge St., Toronto, to assemble various types of trucks.

This plant is really an assembly plant, but it has been turning out all types of Mack Trucks including four and six cylinder models in all sizes from one ton up.

In addition to trucks, this new plant also makes a complete line of trailers and semi-trailers in both single and double axle styles. The plant is also in a position to assemble a complete line of equipment for fire department and other novel types of trucks.

Some 20 models are kept in stock at Toronto, and these models have cabs, but bodies are only supplied upon order.

Parts used in assembly of these trucks are as nearly as possible all Canadian and it is hoped that increased activities in the truck business will warrant manufacture of more of the parts in this country. Equipment used in assembling of these models is of the most modern type, and is operated by a staff of some 15 to 20 men.

DODGE OFFERS 1½ AND 2 TON 1932 MODELS

Six Cylinder Motors in New Trucks Develop 60 and 73 h.p.

Dodge Bros. (Canada) are offering two new six-cylinder models this spring, in 1½-ton and a 2-ton units.

The smaller of these two has a gross allowable weight of 8,200 lbs. and comes in 131 and 157-inch wheelbases at $855 and $925, f.o.b. Windsor, Ont., respectively. The four-cylinder model on the same wheelbase lengths, announced previously, is listed at $100 less. The two tonner has a gross allowable weight of five tons and is built with 136 and 165-inch wheelbase chassis, which are priced at $1,095 and $1,165 respectively, f.o.b. Windsor, Ont.

Power units in both models are Dodge built truck engines which develop 60 h.p. at 3,100 r.p.m. in the 1½ tonner and 73 h.p. at 3,200 r.p.m. in the two ton model.

Both of these trucks have full floating rear axle with spiral bevel gear, hyraulic four wheel brakes and 10 inch single dry plate clutch. The 1½-ton model has four speed transmission, while the larger model has five speeds forward with silent fourth, which allows continuous operation in this gear, thus giving greater flexibility.

Frame of the one and one-half ton truck is braced with six cross members and the two-ton chassis frames have five and seven cross members in the 136 and 165 inch wheelbase models respectively.

NEW RUGBY SIX TAKES PAYLOAD OF 3,000 POUNDS

Units For Heavy Work Used in Making 1932 Models

The feature of the Rugby line of trucks this spring is the 6-15 six cylinder model. This truck has a chassis weight of 2,900 pounds to which must be added body weight allowance of 1,200 pounds which allows a pay load of 3,000 pounds, making a gross weight of 7,100 pounds.

The engine in this model is a six cylinder L-head motor, developing 72 h.p. at 3,400 revolutions per minute. This power plant is unit mounted and the rear engine supports are cushioned in rubber.

Wheels are of the hollow steel spoke type, interchangeable in order to accommodate dual tires on the rear wheels. Standard tire equipment consists of 6 by 20, 6-ply, truck balloons on the front wheels and 32 by 6, 8-ply, high pressure tires on the rear wheels. Dual rear wheels are available as extras.

Wheelbase on this model is 135 in. Transmission has four speeds forward with gear ratios varying up to 6.4 to 1. Clutch is single dry disc type. Practically all standard types of trucks and delivery car bodies may be obtained in this model. The general lines of fenders, hood, cap and body are quite modern in style, and the truck is equipped with latest improvements.

NEW STEWART EQUIPPED WITH 100 H.P. UNIT

Eight Cylinder Motor Allows High Speed Operation

Latest models of the Stewart Truck Corp. of Canada include a new 2½-ton chassis known as model 58-8 which has just been introduced. Weight of this chassis is 5,970 pounds and the truck is capable of very high speed, the motor being capable of developing 100 horsepower at maximum speed.

Mechanical features of the motor include pressure lubrication, moveable cylinder head, crankshaft balancer and in fact all modern improvements. Clutch is multiple plate, dry disc type equipped with enclosed bearings. The design and construction of the full floating rear axle is unusually rugged. It has a spiral bevelled gear and with heavy differential on roller bearings.

Other features are mechanical bendix brakes, smaller, steel spoke wheels with demountable rims, heavy pressed steel frame, and heavy rear springs with auxiliary.

Several Wheelbases

Standard wheelbase on this model is 170 in. but 160-in. wheelbase may be obtained at no extra cost. Special wheelbases of 180 in., 196 in. or 226 in. are available as extras.

Standard tire equipment on front and on standard dual rear wheels consists of 7.50 by 20 balloons. Single tires on rear wheels are extra.

Standard color scheme consists of red wheels, black fenders and green body. Loading space is suitable for nine to eighteen-ft. bodies, back of driver's seat, depending on the wheelbase.

Two other eight cylinder models are now being turned out by Stewart with rated capacity of three and three and one-half tons

Price of the 58-8 is $3,040, and other Stewart models range in price from $940 for the one-ton truck to $7,690 for the large seven-tonner, all prices f.o.b, Fort Erie, Ont.

Stewart 1932 Panel Delivery Model

Illustration above is the new Stewart one-ton truck with semi-de luxe panel body. This model is powered with six-cylinder Lycoming motor.

Ontario's Truck Laws May Hint Rate Control By Various Provinces

South Americans Like New Chev "6"

A native of Argentina, "Pipo" by name, who has charge of a bar-restaurant in Mar Del Plata, has succeeded in expressing his automotive enthusiasm in a novel manner. He has included in his cocktail list two concoctions of his own invention, one of which, the "Chevrolet Six," is second only to the Martini in popularity.

The ingredients of the "Six" and its associate beverage the "Four," are kept a dark secret by the inventor. He confesses, however, that the "Six" has a higher horsepower but, as he once assured a customer, "it doesn't take any more gasoline than a 'Four'."

Classification of Public Commercial Vehicles Only First Step

SURTAX PROTESTED

Commercial Transport Operators Balk at Extra Tax For Revenue Only

Complete revision of the system of regulation of commercial motor transportation on the highways of Ontario is probably the ultimate aim of regulations which are gradually being introduced into the Highways Traffic Act. Acute observers are of the opinion that it is the intention of the Government to eventually regulate every phase of the industry including rates. This has been done, of course, in connection with bus transport. But trucks have as yet had less government regulation, largely because it was more difficult to handle.

Economic trend of the industry has apparently been toward consolidation. Operators of large transport organizations have been tending to absorb smaller competitors and to take over their routes as well as their equipment. For instance, one large transport company has recently absorbed service routes of competitors running from Toronto to Windsor, Toronto to Niagara Falls and Welland and Toronto to Belleville. The original license of this transport company covered operations between Cobourg and Hamilton only.

Limiting Competition

Such consolidation tends to limit competition. Further limitation of competition is also the result of close scrutiny, by the government, of issuance of licenses. It has become a practice not to interfere with routes and organizations which have maintained established trucking services. All these factors point toward the need for regulation of rates in the industry.

Progress to this end has already been made, and it is felt that such regulation of rates and services may come sooner than is generally expected. One of the most important indications of pending revision of the motor transport industry in Ontario is the classification, by the government, of public commercial vehicles.

This year surcharges are being levied on all five of these classes of public commercial vehicles. These surtaxes are payable in addition to the regular license fee and in the case of vehicles operated under class "A," "C" and "D," licenses they amount to approximately 50 per cent of the regular fee. In the case of Class "B" vehicles, which operate on other than provincial highways, they amount to 25 per cent of the regular license fee.

Class "E" vehicles pay a nominal fee of $1 only, this being in the nature of a political concession to transport of agricultural produce. There is apparently no other reason for this concession because the transportation of the type of goods

(Continued on page 11)

FEDERAL TRUCK PRICE DECLINES TO RECORD LOW

General Design of New Models Basically Unchanged

This season Federal trucks is offering a new one and one-half ton truck chassis which is available in both four and six-cylinder models. List price of six-cylinder chassis is $995 and four-cylinder $970 f.o.b. Windsor.

This new one and one-half ton model is the lowest priced truck ever offered by this company

The general design and construction of this new model is basically the same as the former one which was several hundred dollars higher in price. The same type of construction is carried out in every feature of the new model.

The weight of the standard chassis is 3,225 pounds and the total allowable weight is 8,500 pounds. Motive power is provided by a six-cylinder L-head engine developing 72 h.p. at its maximum speed.

Hydraulic Brakes

Some of the other features of the new one and one-half tonner are four-speed transmission, four wheel hydraulic brakes, full floating rear axle, ten-inch heavy duty clutch and heavy steel frame. Four wheelbases are available: 130 in., 142 in., 154 in., and 166 in.

Standard tires on this chassis are 6.00 by 20, 6-ply balloon on the front wheels, and 32 by 6 single high pressure tires on the rear wheels. The wheels are of the ventilated disc type and are demountable. Dual rear wheels may be obtained as extras.

The design of the fenders and hood combined with chromium plated radiator gives the chassis an unusually attractive appearance

BIG AND NEW 1½ TON FEDERAL 6

$995

MADE IN CANADA BY A CANADIAN COMPANY

Standard 130" W.B. Chassis F.O.B. Windsor, 4-Cylinder Chassis $970. Government taxes extra

Are you fooling yourself? Are you getting the most for your truck dollar? You can't get dependable, long-lived, economical performance without balanced chassis weight. A truck needs weight to carry weight. If you don't buy weight in the beginning, you'll pay for it sooner or later in repair parts at repair part prices. The chassis weight of this new 1½ ton Federal Six is 3225 pounds, and every pound is correctly distributed. Federal gives more truck, longer life, better performance for your dollar. Weight, ALL-TRUCK construction throughout, and many outstanding features make this the biggest truck buy Canada has ever seen. Make it your business to see a Federal dealer.

Other Federal models up to 7½ tons are just as outstanding in value. Write for literature.

FROM END TO END IT'S ALL TRUCK
THE NEW 3 TON-6 WHEELER AT $1500

4-cylinder single drive $1500; 4-cylinder dual drive $1870; 6-cylinder single drive $1650; 6-cylinder dual drive $2020; chassis f. o. b. Windsor. Government taxes extra

This new 3 ton six-wheeler—a truck of exclusive Federal design—engineered by Federal and built by Federal—is creating a sensation. Never before has so much truck with so many patented features been offered at anywhere near this price. Features include large hydraulic brakes on all six wheels and double rear springs. Investigate what Federal has to offer before purchasing any new truck equipment.

FEDERAL TRUCK CO. OF CANADA, LTD., WINDSOR, ONT.

GENERAL MOTORS
TRUCKS & TRAILERS
for
EVERY RUN
•
1½ TO 20 TONS

GENERAL MOTORS trucks and trailers cover every Canadian hauling requirement, with equipment that fits each Canadian need exactly. Every model has been designed and built in Canada, and thoroughly service-tested, by engineers who produce commercial vehicles exclusively. To help you select the types that meet your needs most economically, General Motors Truck advisory service brings you Dominion-wide experience in cutting hauling costs. See General Motors Truck first!

GENERAL MOTORS TRUCKS

NEW
1½ to 2 TON

GENERAL MOTORS TRUCK

$795

Chassis only
f.o.b. Walkerville - Taxes extra

This is the lowest price ever placed on a General Motors Truck of this capacity. A 1½ to 2-ton chassis of 131-inch wheelbase, powered by a big, 6-cylinder engine, for $795, f.o.b. Walkerville, taxes extra. And it's every inch a dependable General Motors Truck! Its truck-type radiator—its sturdy clutch—heavy-duty, 4-speed transmission—6-inch frame with stress absorber—and heavy axles—all are generously proportioned to meet the severe requirements of trucking service. Forged Spoksteel wheels are regular equipment. Dual rear wheels and a chassis of 157-inch wheelbase with 7-inch frame are optional at correspondingly low prices. Standard bodies are available at surprisingly low prices to fit every commercial need.

PRODUCED GENERAL MOTORS PRODUCTS IN CANADA

G. M. C. HAS NEW TYPE OF TRUCK FOR EVERY USE

Complete Manufacture Carried Out Within One Plant

General Motors trucks are built in many sizes and styles to fit all transport problems. The lightest type of vehicle produced is the panel delivery truck, and the largest is the 21-passenger motor coach.

One important model is the T-60 chassis which has been designed for service as a tractor with semi-trailers. This unit can be manoeuvred in a very small space, having a turning radius of only 25 ft. Its capacity is from 9 to 10 tons. Dimensions of the semi-trailers used with this chassis are: length 18 ft., width 7 ft., with stakes 54 in. high.

The equipment on this model of the most modern type and the cab is furnished with upholstery and other aids to comfortable operation.

One unique feature of the General Motors line of trucks is that they are made by the only Canadian company building such vehicles complete, body and chassis, in one plant. This factor is of assistance in enabling the company to supply exactly the type of truck which the buyer may require. Moreover, the completeness of factory equipment can be used to good effect by buyers who need some special or unique form of truck.

It is the contention of the company that by owning and operating its own body plant it can control the design of the body so that it becomes an integral part of the truck itself, harmonizing in every way with the efficiency of the truck's chassis. It also allows the company to control the quality of materials used and to keep a close check on the character of the workmanship applied in construction.

Special Body on Rugby 6-15 Truck Chassis

A novel body job built on a Rugby 1½-ton chassis is shown in the above picture. This truck was built to make city delivery of tanks of beverage syrup. Tanks fit into the storage compartment without projecting over the walls and rear section is removable to accommodate bulkier loads if necessary.

INTERNATIONAL PRESENTS NEW 1½ TON LINES

Four and Six Cylinder Models Featured For 1932

International trucks are presenting two new one and one-half ton models this spring. One will be powered with a four-cylinder motor and the other with a six-cylinder unit.

Both of these models are constructed on frames of heavy pressed steel channels reinforced with numerous cross members to assure rigidity and flexibility to cope with varying loads and road conditions. Rear axles are of the full floating type and bearings in pinions, differential, and wheels, are of the roller type.

The engine in the six-cylinder model is of the L-head type with brake horsepower of 54, at 2,700 r.p.m. The engine of the four-cylinder model develops 32 brake horsepower at 2,400 r.p.m. Both of these power units have three point mountings with rubber cushioned rear support. Single plate clutches are featured in both models, the four cylinder having a 9-in. clutch, and the six-cylinder an 11-in. clutch both with vibration dampers.

Wheelbases available are 136 and 160 in. in both models. Maximum carrying capacity of the six-cylinder truck is 6,250 pounds compared with 4,575 pounds for the four-cylinder model.

Wheels are of the cast, spoke type. Tires on the six-cylinder model are 30 by 5, on front wheels and 32 by 6 on the rear wheels, and on the four-cylinder model are 5.50 by 20, on front wheels, and 6.00 by 20 on rear wheels, those on the four being balloon tires. Dual tires for rear wheels are available as extras.

Lines of these models are similar to those of other International trucks Finish of models is red for frame and wheels, with fenders, radiator shell, and aprons of black enamel, and hood and cowl of dark grey-green color A wide variety of body types and sizes are available in both models.

Vancouver Wheat Exports Gain

By April 8th Vancouver's wheat export movement had passed the figures for the similar period of last year, the shipments being, respectively, 54,169,714 bushels and 52,834,046 bushels.

SEVEN MODELS IN NEW TRUCKS BY CHEVROLET

Two New Heavy Duty Chassis Offered For First Time

For the first time, Chevrolet trucks have entered the heavy hauling field, with the introduction of a new two-ton chassis with a gross carrying capacity of 5,000 pounds.

The new two-ton chassis are built with re-enforced frames and with heavy rear springs equipped with an auxiliary. These also have heavy duty full floating type rear axle and brakes with cast steel drums on all four wheels. High speed axle ratios are optional and wheels are interchangeable.

Seven Standard Models

Seven standard models are available in the 1932 line of Chevrolets. These are the commercial chassis, special commercial, light delivery with enclosed cab, one and one-half ton standard chasis with 131-in. and 157-in. wheelbase length, and the two heavy duty units with 131-in. and 157-in. wheelbase.

The engine develops a maximum of 53 horsepower at 2,800 revolutions a minute. Down draft carburetion is another feature of this higher powered motor.

Appearance is improved by the use of small diameter wire wheels on lighter models and disc type on heavier trucks with larger balloon tires, spare tires in fender well, rear mounted gasoline tank, chrome plated radiator shell and head lamps, and longer hood.

For heavy hauling and bulky loads, Chevrolet is showing the standard one and one-half ton chassis with wheelbases of 131 and 157 inches. These models have special 6-cylinder truck, motors, 10-in. spring cushioned clutch and 4 speed transmission. In addition either single or dual wheel equipment may be obtained. The following are prices on the 1932 Chevrolet line of trucks, all quotations, f.o.b. Oshawa, taxes included:

Model 118, Maple Leaf, heavy duty with cab	$1,091
Model 122, Maple Leaf, heavy duty with cab	1,029
Model 152, Standard Commercial Chassis, half-ton	557
Model 153, Special Commercial Chassis, half-ton	620
Model 112, Standard 1½-ton Chassis, 131" w.b. without cab	778
Model 112, Standard 1½-ton Chassis, 131" w.b. with cab	898
Model 116, Standard 1½-ton Chassis, 157" w.b. without cab	841
Model 116, Standard 1½-ton Chassis, 157" w.b. with cab	961
Model 155, Light Delivery, including cab and body	693

New Heavy Duty Truck by Chevrolet

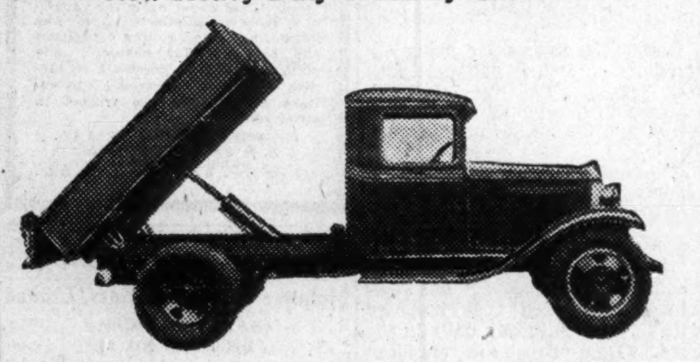


Illustration shows one of the new heavy duty two-ton models which Chevrolet is featuring in its 1932 line of trucks. This model is equipped with steel dump body and hydraulic hoist.

MOTOR BUSES NOW A FEATURE WITH LEYLAND

Several Truck Models Also Presented For 1932

Leyland Motors are featuring in Canada, bus chassis and bodies which, it is believed, are suitable to the needs of communities which rely on motor transportation only and also for those who use buses in conjunction with street railways.

One of these models is the "Cub" which is built to carry from 17 to 21 passengers. This model has wheelbase from 168 to 186 in. and is powered with a six cylinder motor which develops nearly 60 h.p. at a normal speed of 2,000 r.p.m. It has four-speed transmission, full floating axle, worm drive, and four wheel Lockheed hydraulic brakes.

The bodies are built in Canada of a design that has been developed by Canadian operators and is supplied in city service or de luxe types. This model sells at from $3,154 to $3.495 plus taxes.

A larger model is the Leyland "Lioness" which accommodates 29 passengers and is built on 228 in. wheelbase. This model has a six cylinder motor, four speed transmission semi-floating axle, worm drive, and four wheel mechanical brakes. If required Westinghouse air brakes can be fitted on this model or on any other model of Leyland bus or truck. Bodies of suitable design can be supplied as in the case of the "Cub" model. The price of this bus is $7,400 plus taxes.

Bodies of these unit are built by the Canadian Car and Foundry Company, Montreal, in co-operation with Leyland.

In addition to its specialized bus lines, Leyland is offering a wide group of specialized truck models. These include the "Terrier," varying in rating from 3 to 7 tons with four or six cylinder motors. This model is built on a three axle chassis with drives on both rear axles. It is licensed for a 15-ton gross load, which is the largest size allowed in Canada.

Other models of Leyland trucks vary from the "Cub" two-ton trucks with six cylinder motor, priced at $2,550 to $2,715 to the T. C. 7 rated at 3½ tons with six cylinder motor and priced at $5,260. There is a six wheel model in the "Cub" series, two and one-half long tons "Badger" model with four cylinder motor priced at $4,405 to $4,545.

The "Beaver" rated at 3½ long tons is the largest four cylinder model offered by Leyland. It is built on a wheelbase from 145 in.. to 174 in. in length. Four-wheel mechanical brakes with vacuum as standard and tire equipment either single or dual up to 36 by 8 are available on this model, which is priced at from $4,900 to $4,980.

Taxes must be added to all prices which are quoted f.o.b. Toronto.

ONTARIO TRUCK LAWS MAY HINT CONTROL BY PROVINCES

(Continued from page 10)

concerned is considered as profitable as other lines.

The Department of Highways estimates that it will be able to raise an additional $150,000 by means of this surtax. Transport operators take objection to being taxed in this manner, if the purpose of the tax is to provide revenue only. They feel that further regulation of rates and licenses in the motor transport field would be valuable to them, but they estimate that the cost of such additional regulation would be only a very small fraction of the estimated increase in revenue from the surtax.

The order in council authorizing this surtax came into effect on the first of April, but so far operators have shown no strong inclination to purchase their licenses. They have, of course, 30 days before they are compelled to do so.

At a meeting of the Automotive Transport Association of Ontario, held in Toronto on April 10, a resolution was passed protesting against this surcharge. The principal point made in the resolution was that this was a tax on commercial vehicles only and not on others, which should also be taxed if the levy is being made solely for the purpose of regulation..

In addition, it was stated that the tax discriminated unfairly against the operator of a public commercial vehicle without aiding him to secure any additional service from the government.

In other respects, the Department of Highways is developing its system of inspection. Of course, all such new regulations as classification of commercial vehicles, necessitates greater development of this system.

As an example of the necessity for closer inspection on the part of the Department caused by amendments to the act, the regulation specifying the drivers shall not work more than 10 hours in each 24, may be cited. Clearly this ruling is difficult to enforce.

Another recent alteration in governmental regulation which has an important bearing on the trucking business, both from the point of view of the commercial operator and the private owner, is the reduction in the allowable length of a chain of vehicles from 65 to 50 ft. No reduction was made in the allowable length of 33 ft. on the initial unit, and the result of these alterations in the code, in some instances, have been that the operator has found himself equipped with heavier motor power than necessary. It is possible that this may reduce the demand for certain types of heavy haulage units. The total allowable weight and particularly the length of trains allowed is substantially less in most sections of the United States.

In spite of any prejudices which may exist it is evident that the Department of Highways is endeavoring to place the commercial trucking business on a stable basis in Ontario.

High Power Studebaker Two-Ton Chassis

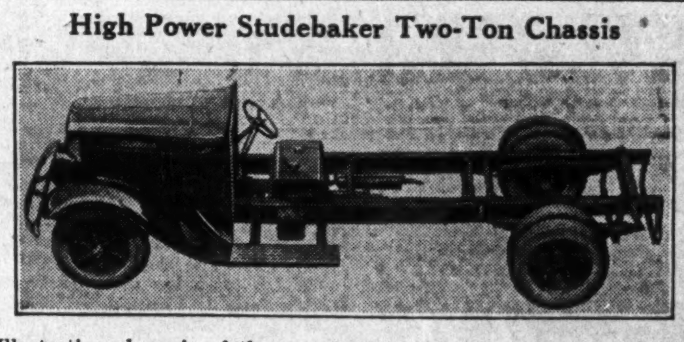


Illustration above is of the newest two-ton truck chassis turned out by Studebaker which has 141, 153 or 165-inch wheelbase. The motor in this model develops 75 h.p. This is one of the lowest priced two-ton trucks ever offered.

WILLYS OFFERS THREE CLASSES IN NEW TRUCKS

Wheelbases Vary From 113 to 157 Inches This Year

The new 1932 line of Willys-Overland six cylinder trucks is offered in three wheelbases; namely, 113 in., 131 in., and 157 in.

The model "C" 113 in. wheelbase chassis is useful for a wide variety of body types to meet the requirements of fleet users and for individual delivery models. Four standard body styles are available in this model; the cab pick up, the sedan panel, canopy express, and station wagon. Wooden artillery wheels are standard and are equipped with balloon tires on semi-drop centre rims.

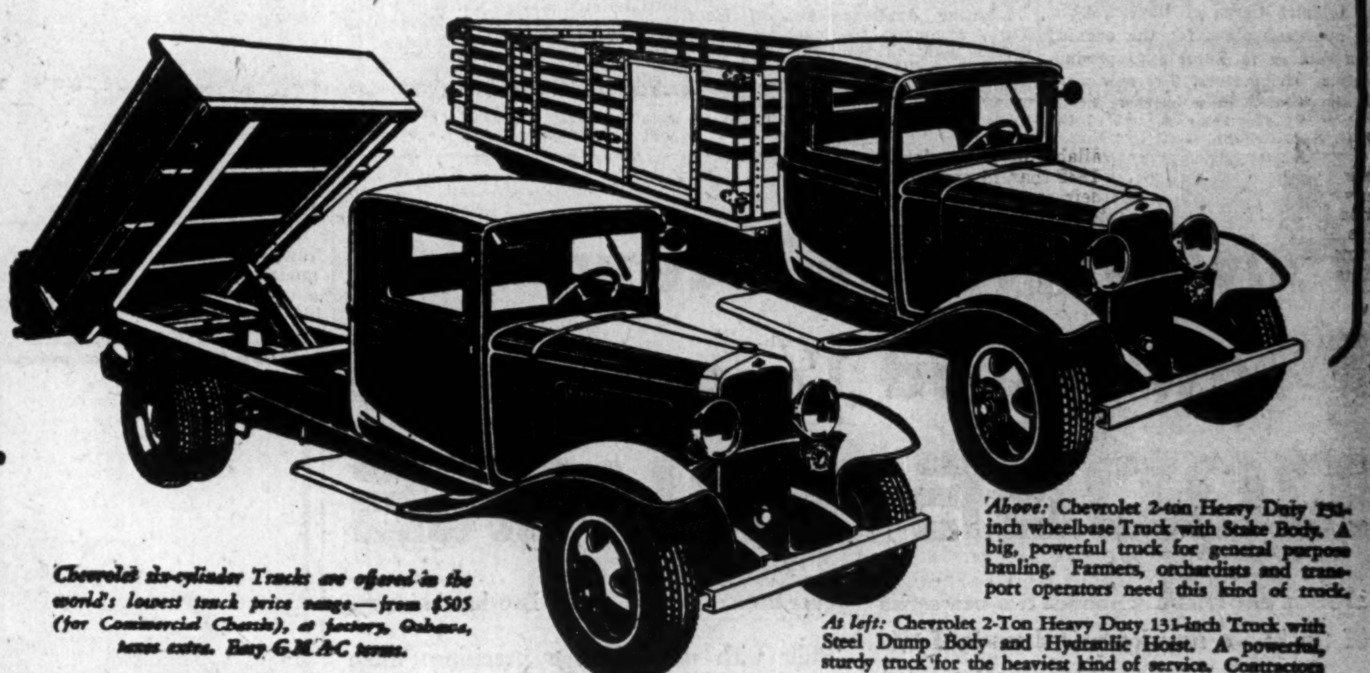
Frames of both the C-113 and C-131 chassis are said to be of unusually rugged construction, heavy side rails are strongly braced and bridged type cross members give rigidity

Models C-131 in. wheelbase and C-157 in. wheelbase have full floating type rear axle. Heavy four-speed transmissions are used in both these models and they are equipped with dry disc clutch.

Price of C-113 is $545, of C-131, $775 and $825 and C-157, $825 and $875, f.o.b. factory, plus taxes.

Brakes are of the bendix mechanical internal expanding types. completely encased. The wheels on the 131 and 157 in. wheelbase models are of the steel six spoke type.

Chevrolet Now Builds a Complete Line of 2-TON HEAVY DUTY TRUCKS



Chevrolet six-cylinder Trucks are offered in the world's lowest truck price range—from $505 (for Commercial Chassis), at factory, Oshawa, taxes extra. Easy G.M.A.C terms.

Above: Chevrolet 2-ton Heavy Duty 131-inch wheelbase Truck with Stake Body. A big, powerful truck for general purpose hauling. Farmers, orchardists and transport operators need this kind of truck.

As left: Chevrolet 2-Ton Heavy Duty 131-inch Truck with Steel Dump Body and Hydraulic Hoist. A powerful, sturdy truck for the heaviest kind of service. Contractors should investigate this truck.

NOW Chevrolet brings matchless economy of gasoline, oil and upkeep to the heavy duty truck field. Moreover, the complete line of new Chevrolet 2-ton Heavy Duty Trucks are built specifically for the strenuous kind of heavy hauling service.

For example, Chevrolet six-cylinder Heavy Duty Trucks have the Clark full-floating rear axle, specially developed for heavy duty work. Clark heavy duty four-speed transmission is another feature of these trucks. In addition, Chevrolet trucks have a special, six-cylinder truck engine—smoother, faster, more powerful and with longer life. The pressed steel channel frame is exceptionally deep and rugged. A special truck clutch is provided. Wheels are interchangeable throughout and there are several tire options.

Chevrolet Heavy Duty Trucks are built on two wheelbases—standard 131-inch, and 157-inch for hauling bulky loads. There is a wide variety of body types to suit every heavy hauling field.

Before you buy *any* Heavy Duty Truck, get the new Chevrolet specifications! You will find a model exactly suited to the work you have to do—a 2-ton Chevrolet Heavy Duty Truck at one of the world's lowest truck prices and with lowest ton-mile operating costs!

CANADIAN BUILT — GM GENERAL MOTORS PRODUCTS — CANADIAN MATERIALS

When you buy a motor vehicle bearing this emblem, you not only get the utmost in value, but you provide gainful employment for a Canadian workman for an average of 87 days

Produced CHEVROLET in Canada

CHEVROLET SIX CYLINDER TRUCKS

Why did Studebaker MAKE THIS big gain in 1931?

STUDEBAKER TRUCK SALES INCREASED.

Complete sales information now available reveals that Studebaker truck sales in Canada increased substantially in 1931 as compared to 1930, D. R. Grossman, Vice-President and General Manager of The Studebaker Corporation of Canada, Limited, announced at Walkerville on Friday.

The increase in Studebaker truck business amounted to 130 per cent. as compared to a decline of slightly more than 27 per cent. for all makes of trucks combined.

According to the Studebaker official, the 1931 increase, plus reports from Studebaker truck dealers, indicate that 1932 will show a corresponding increase in Studebaker truck sales over 1931 as a result of the more powerful line of new trucks going into production this month in Walkerville. The new line includes a 3-ton unit to be sold at a lower price than any other truck of similar capacity, Mr. Grossman stated.

Because . . . Studebaker had the lowest priced 2-ton truck ever built.

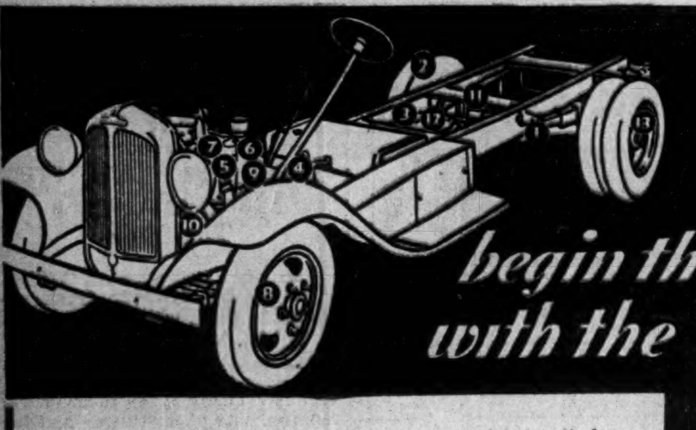
. . . And the most powerful 1½-ton truck ever sold at such a low price.

Because . . . The sturdy Studebaker engines are so well designed, so finely balanced, built with such extreme precision that they develop a full flow of economical power at low engine speeds.

35 H. P. at 1200 R. P. M.
50 H. P. at 1760 R. P. M.
60 H. P. at 2180 R. P. M.
75 H. P. at 3200 R. P. M.

And now in 1932 . . . Studebaker adds the world's lowest priced 3-ton truck, $1830 at Walkerville, with B. K. booster brakes and auxiliary transmission as standard equipment.

STUDEBAKER *Trucks*



Profits.. begin the first mile with the REO SPEED WAGON

1. Heavy full-floating rear axle designed for dualing.
2. Dual wheel equipment at slight extra cost.
3. Heavy 7" channeled frame.
4. 4-speeds forward transmission.
5. Big truck engines—4 or 6 cylinder.
6. Chrome nickel cylinders—wearing 7 times longer than grey iron.
7. Maximum piston displacements—205 inches in the 4 cylinder, 214.7 inches in the 6 cylinder.
8. Heavy steering spindles.
9. Full pressure lubrication even to piston pins.
10. Five bearing crankshaft in the 4-cylinder; Seven bearing in the 6-cylinder.
11. More loading space on frame back of cab.
12. Weatherproof hydraulic brakes.
13. Heavy Duty Spoksteel wheels.

THE Reo 1½ ton Speed Wagon represents 18 years of fine truck building. It is strongly constructed, highly powered and safely braked ... Perfect co-ordination of the most practical and most desirable mechanical features is the result of the skilful design of the chassis.

Reo trucks and Speed Wagons range in capacity from 1½ tons to 4 tons with body designs to meet every need. Ask your Reo dealer for full details and the opportunity of making an actual test under your own working conditions.

Sold and serviced by all Reo dealers.

BUILT BY

DOMINION MOTORS LIMITED

TORONTO (LEASIDE) CANADA

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Frigidaire Corp., of Dayton, Ohio, has approved plans for the opening of a factory in Toronto to produce electric refrigerators. The new plant will be located in a building at 35 Fraser Ave., formerly a part of the W. G. Harris plant. Both commercial and household units will be manufactured, and production will commence immediately according to W. G. Wright, manager of Canadian operations.

Thistle Rubber Type Works, makers of rubber stamps and marking devices, have established a branch factory, office and retail store at 312 Dundas St., London. The business was founded in Sombra, Ont., in 1898 and carries on a large mail order business.

Lighting Appliance Co., of New York, announce the opening of a branch plant in Montreal. The new company will be called Lighting Appliance Co. of Canada. Space has been leased in a building on Notre Dame E. The company specializes in residential lighting fixtures.

Jenkins Bros. have opened their new plant at Lachine which has been in course of construction for over a year and which is said to be of the finest in Canada for the manufacture of valves. The plant includes bronze and iron foundries and power house.

Dominion Hoist & Shovel Co. has been formed at Montreal to manufacture in Canada, gasoline, Diesel and electric powered shovels and general excavating work. It is sponsored by Dominion Bridge Co. jointly with Dominion Engineering Works and American Hoist & Derrick Co., of St Paul, Minn.

Oliver Co-operative Growers, of Oliver, B.C., have endorsed a proposal to erect a $60,000 packing and cold storage plant in the near future.

ANNOUNCING New Low-Priced 1½-and 2-Ton DODGE TRUCKS

DODGE BROTHERS announce two new series of trucks—a new low-priced truck of 1½-ton capacity—and one of 2-ton capacity.

The new 1½-ton Dodge Standard Truck—4- or 6-cylinder type—131- or 157-inch wheelbase—retaining all the hallmarks of quality and long life that all previous Dodge Trucks have been noted for, with many additional modern engineering improvements.

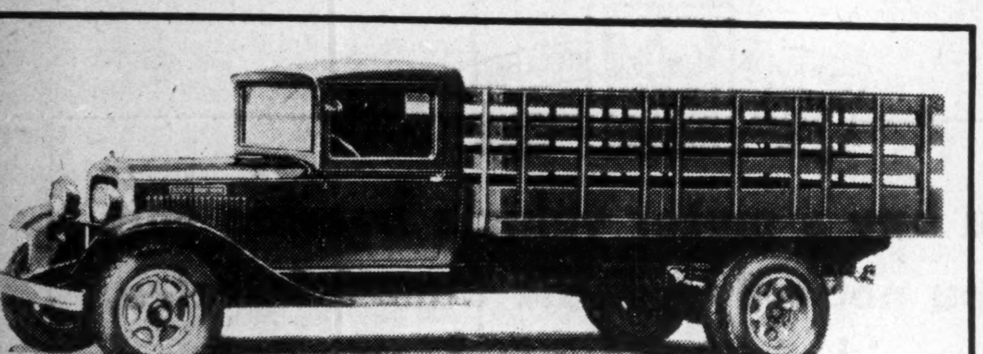
The new 2-ton Dodge Standard Truck—6-cylinder type—136- or 165-inch wheelbase—introduced for the first time at the lowest price at which a 2-ton unit has ever been offered in Dodge Brothers' history.

Built with usual Dodge precision, these trucks carry a remarkable array of features designed to make them serve economically, dependably and capably.

A close inspection will quickly prove these trucks modern and up-to-date—and an assurance of long, dependable performance at low cost.

See your local Dodge dealer for complete specifications and prices.

Tune in on Chrysler Motors Radio Program "Ziegfeld Radio Show" personally conducted by Flo Ziegfeld—Columbia Network: every Sunday evening



New 1½-Ton Dodge Truck Chassis Only $755 F. O. B. Factory

New 2-Ton Dodge Truck Chassis Only $1095 F. O. B. Factory

All prices f. o. b. factory, Windsor, Ontario, including standard factory equipment (freight and taxes extra).

DODGE BROTHERS (CANADA) LIMITED, WINDSOR, ONTARIO

THREE TON TRUCK IS NEW OFFERING OF STUDEBAKER

Also Has 1½ and 2 Ton Models in Many Wheelbases

In addition to a 1½-ton and 2-ton chassis, Studebaker Corporation of Canada this year introduces an entirely new 3-ton truck, available in four wheelbase lengths, namely, 141, 153, 165 and 183 in., priced at $1,830 f.o.b. factory.

This model is powered with a six-cylinder engine developing 75 h.p., which is enhanced by means of a two-speed auxiliary transmission with a 1.52 gear reduction mounted amidships between two crossmembers. This gives eight speeds forward and two reverse. A range of five optional gear ratios, from 5.25 to 7.8 to 1 are available enabling an operator to select a Studebaker truck with standard mechanical equipment for any type of medium or heavy duty service. Frames are of 8-in. section.

Wheelbases on the 1932 2-ton trucks are 141, 153 and 165 in., while the 1½-ton chassis may be had with 130 or 165-in. wheelbase. Chassis prices are $1,250 and $950 respectively, the latter being the lowest price at which a truck of this power has been sold. Both of these models are equipped with a six-cylinder engine of increased power and revised design. Doubly-balanced and counterweighted crankshafts, Lanchester vibration damper and rubber engine mountings add to the smoothness of the power unit.

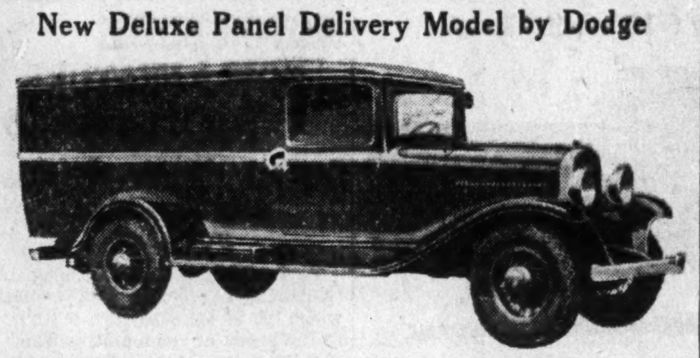
Special cross-member bracing prevents frame distortion and gives added strength where maximum stress occurs. Full-floating rear axles are used on all models, this form of construction leaving the axle shafts free to carry only the driving load, the weight being carried by the axle housing. The lighter models are equipped with four-wheel brakes, cable-controlled, of the 2-shoe type. The 3-tonner carries booster brakes as standard.

Drivers' cabs are of steel construction with coupé front, sloping windshield and cowl ventilator. The driver's seat is 48 in. wide. Bodies include panel, screen, express, stake, platform, canopy, grain, cattle and dump types as well as a number of special styles.

Manufacturing Plants in Canada

A report just issued on the manufacturing industries of Canada for the year 1930 states there were at the end of that year a total of 24,020 manufacturing plants in the Dominion, which represented a capital investment of $5,203,316,760 gave employment to 644,439 persons

New Deluxe Panel Delivery Model by Dodge



New 1932 Deluxe panel truck body manufactured by Dodge Brothers (Canada) Ltd. is illustrated above. This type of body model is available in 131 and 157-inch wheelbase models powered with either four or six-cylinder motor.

SPEED WAGONS OFFERED BY REO FOR ALL NEEDS

Recent 1½ Ton Model Widens Market For Product

Speed wagons and trucks offered by Reo for 1932 are said to meet practically all commercial haulage requirements that can be served efficiently by units of one and one-half ton or greater capacity. The one and one-half ton model introduced last year placed Reo in competition with the lowest priced field for heavy duty vehicles.

Greater capacity than was available in any previous Reo offering is the principal feature of the four-ton truck which was also introduced last year.

Semi-trailer Units

Co-ordinated tractor semi-trailer units are now obtainable for operation with either the one and a half or four-ton tractors. The four-ton tractor-trailer combination, the new heavy duty addition to the Reo group, has a rated gross weight capacity of 35,000 pounds.

The Reo line of speed wagons and passenger cars also, now being offered in Canada, is being built by Dominion Motors, Ltd., Leaside, Ont., and is being sold and serviced through Reo Motor Co. of Canada, Ltd., which is a Dominion Motors division.

Lancashire Felt Locates in Guelph

The Lancashire Felt Company of Canada Limited is starting up a new industry for Guelph in the manufacture of wool felt bodies for men's and women's hats. Extensive preparations have been going on for some weeks since the company acquired its factory in the city. Eight carloads of machinery, mostly imported from England, have been brought to the plant and installed. The parent company is at Denton, England.

Truck Sales Manager

V. O. HIPWELL

Recently appointed sales manager for G. M. C. trucks with headquarters at Oshawa, Ont.

THREE CLASSES IN 1932 MODELS BY GOTFREDSON

Six Cylinder Models and One Four Featured For Spring

Gotfredson trucks are being offered in four and six cylinder types this season. The four cylinder engine will develop 49 h.p., at full speed, and the six cylinder engine, 78 h.p.

The weight of chassis is 7,500 pounds for the four cylinder model and 8,500 pounds for the six.

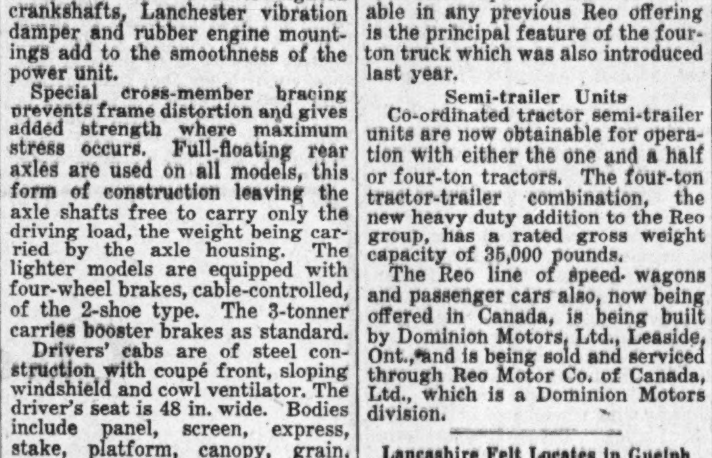
Has Disc Wheels

The heavy duty four cylinder model first mentioned has disc wheels of rugged type mounted with 36 by 8 in. heavy duty 12 ply tires. Dual tires are standard equipment on rear wheels. The heavy duty six cylinder model has the same style of wheels and tire equipment.

Frames are designed with heavy cross members to prevent weave and to ensure side rails remaining parallel at all times.

Another six cylinder model is offered in a lighter weight chassis. This truck will operate at about 45 miles per hour and the chassis weighs 4,200 pounds. It has a six cylinder motor developing 61 h.p. at its maximum speed. Wheelbase is 144 to 167 in. and it is equipped with 32 by 6.50 heavy duty truck type balloon tires. Rear wheels have dual tires.

Popular General Motors Truck Chassis



New T-60 truck chassis made by General Motors is shown above. This model is equipped with Buick six-cylinder engine and is available in a variety of wheelbase lengths, the chassis illustrated being built on 140-inch wheelbase.

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Improved Features - - - Improved Performance

THERE is one sure way to prove how powerful and flexible Rugby trucks are. Drive one ... loaded to capacity ... up any hill ... over any road you choose. You will then realize the advantages of such features as unit-mounted power plant, super-strength chassis, four-forward speed transmission, special truck clutch, steeldraulic type brakes and heavy springs.

Your nearest Durant dealer will gladly give you a working demonstration.

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TORONTO (Leaside) CANADA

RUGBY

NOTICES

Experienced Manager Available

Manager, experienced in Public Service company operation, and available June 1st next, will be glad to confer with executives looking for intelligent public service or industrial management.

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First mortgage money wanted in amounts from $1,000 to $3,000 on four to six-room workmen's houses, interest 7½%. Write M. P. Hyndman, Bank of Hamilton Building, Toronto.

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NOTICE

Montreal Cottons Limited

You are hereby requested to take notice that the Annual General Meeting of the Shareholders of this Company will be held at the Company's Office, 6th Floor, Mark Fisher Building, Victoria Square, Montreal, on Thursday, the 28th day of April, nineteen hundred and thirty-two, at the hour of Twelve thirty o'clock, P.M., to receive the Annual Report of Directors, balance sheet, statement and Auditors' Report required by the Companies' Act, Canada, to elect Directors, to appoint Auditors for the ensuing year and to transact such other business as may properly come before the meeting.

By order,
HUGH A. WILSON,
Secretary Treasurer.

Montreal, April 16th, 1932.

WANTED

High-class responsible Agents and District Representatives for every Province in the Dominion. Those experienced in selling insurance, bonds or securities would be particularly fitted for the position offered. Great opportunity for aggressive livewire salesmen. Apply by letter, giving age, selling experience and reference for character and ability. It will be necessary to furnish a bond if engaged. Applications received will be treated in strict confidence.

INCOME SECURITIES, LTD.
S. S. SAVAGE, President
212 7th Ave. W. Calgary, Alta.

DIVIDEND NOTICES

McIntyre Porcupine Mines, Limited

(No Personal Liability)

DIVIDEND NO. 54

Notice is hereby given that a dividend of five per cent. (5%) on the issued Capital Stock of the Company will be paid on the 1st day of June, 1932, to shareholders of record at the close of business on May 2nd, 1932.

By order of the Board.
BALMER NEILLY,
Treasurer.

Dated at Toronto, April 14, 1932.

The Canadian Bank of Commerce

Dividend No. 181

Notice is hereby given that a dividend of Three per cent in Canadian funds, on the paid-up capital stock of this Bank has been declared for the quarter ending 31st May, 1932, and that the same will be payable at the Bank and its Branches on and after Wednesday, 1st June next, to shareholders of record at the close of business on the 30th day of April, 1932. The Transfer Books will not be closed.

By Order of the Board.
S. H. LOGAN,
General Manager.

Toronto, 15th April, 1932.

The Shawinigan Water and Power Company

Notice is hereby given that a dividend of Twenty-five cents (25c) per share has been declared on the no par value common shares of the Company for the quarter ended March 31st, payable May 16th, to shareholders of record April 25th, 1932.

By Order of the Board,
JAMES WILSON,
Secretary.

Montreal, April 14, 1932.

Quebec Power Company

Notice is hereby given that a dividend of Thirty-eight cents (38c) per share has been declared on the no par value common shares of the Company for the quarter ended March 31st, payable May 16th, to shareholders of record April 25th, 1932.

By Order of the Board,
JAMES WILSON,
Secretary.

Montreal, April 13, 1932.

POWER CORPORATION OF CANADA LIMITED

Common Dividend No. 10

A DIVIDEND of Fifty Cents (50c.) per share being at the rate of Two Dollars ($2.00) per annum, on the No Par Value COMMON STOCK of Power Corporation of Canada, Limited, has been declared for the quarter ending April 30th, 1932, payable May 20th, 1932, to shareholders of record at the close of business on April 30th, 1932.

By order of the Board,
L. C. HASKELL, Secretary.
Montreal, March 29th, 1932.

The Bank of Toronto

Dividend No. 203

Notice is hereby given that a Dividend of Three per cent upon the Paid-Up Capital Stock of this bank has been declared for the current quarter, and the same will be payable at the Bank and its branches on and after the first day of June next, to shareholders of record on May fourteenth, 1932.

By Order of the Board.
H. B. HENWOOD,
General Manager.

Toronto, April 18th, 1932.

DIVIDEND NOTICES

The Royal Bank of Canada

DIVIDEND NO. 179.

NOTICE is hereby given that a dividend of three per cent. (being at the rate of twelve per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Wednesday, the first day of June next, to shareholders of record at the close of business on the 30th day of April.

By order of the Board.
M. W. WILSON,
General Manager.

MONTREAL, Que., April 15, 1932.

SERVICE STATIONS LIMITED

DIVIDEND NOTICE

A dividend of 75c per share, being at the rate of 3% annually, has been declared on the issued and outstanding 6% Cumulative Preferred and 6% Cumulative Preferred (Series "A") Stock of the Company, for the quarter ending April 30th, 1932, payable May 2nd, 1932, to shareholders of record at the close of business on April 15th, 1932.

By Order of the Board.
F. J. MAYO,
Secretary.

Toronto, Canada, April 11th, 1932.

Dominion-Scottish Investments Limited

NOTICE

Notice is hereby given that the Directors of the Dominion-Scottish Investments Limited have declared a dividend on the 5% Cumulative Redeemable Preference Stock (par value $50) of the Company at the rate of 4% per annum for the quarter ending the 30th April, 1932, payable on the 2nd May, 1932, to shareholders of record at the close of business on the 20th day of April, 1932.

By order of the Board.
C. R. ALDERSON,
Assistant Secretary.

Toronto, 15th April, 1932.

LINDSAY'S
C. W. LINDSAY & CO. LIMITED

Preferred Dividend No. 17

Notice is hereby given that a dividend at the rate of 6½% per annum on the Preferred Capital Stock of this Company has been declared for the quarter ending May 31st, 1932, payable June 1st, 1932 to Shareholders of record May 14th, 1932.

By order of the Board.
BENJAMIN A. EDWARD,
Secretary.

Montreal, April 18th, 1932.

MONTREAL TRAMWAYS COMPANY

ANNUAL GENERAL MEETING

NOTICE is hereby given that in accordance with the By-laws of the Company, the Annual General Meeting of the Shareholders of the MONTREAL TRAMWAYS COMPANY will be held at the Company's Offices, Tramways Building, 159 Craig St. West, Montreal, at 12 o'clock noon, on Thursday the 31st day of March, 1932.

This meeting will be convened as called and immediately adjourned until Monday, the 25th April, 1932, at the same time and place.

The Transfer Books will be closed from the 11th day of March, 1932 to the 30th day of March, 1932, both dates inclusive.

By order of the Board.
PATRICK DUBEE
Secretary-Treasurer

Monday, February 15th, 1932.

Brazilian Traction, Light & Power Company, Limited

(Incorporated under the Laws of the Dominion of Canada)

NOTICE OF STOCK DIVIDEND PAYABLE 1ST JUNE, 1932

The exchange situation in Brazil has been for some time past so difficult that it has been impossible, except in a very restricted degree, to procure foreign exchange for the purpose of remitting funds, and this condition still continues. Under the circumstances and in order to conserve the Company's cash resources the Board considers it is inadvisable to declare a cash dividend at this time, but that a stock dividend be declared instead. Accordingly notice is hereby given that the Board of Directors has declared a stock dividend on the Company's Ordinary Shares of no par value, at the rate of one fully paid ordinary share for each fifty fully paid shares held by shareholders of record on the register at the close of business on 30th April, 1932. The shares comprising such stock dividend will rank for dividend as from 1st June, 1932, but no dividend will be paid in respect of a fractional part of a share. When such fractions are converted into whole shares the latter will then rank for all dividends payable after the date of such conversion. Definitive certificates and/or fractional certificates representing the stock dividend will be forwarded to shareholders on or about 1st June, 1932.

Holders of fractions can either sell the same or purchase sufficient additional fractions to make up a whole share, and should arrange for such adjustments through their bankers or brokers as soon as possible after receipt of the fractional certificates. Where necessary fractional certificates may be split into smaller denominations, and to facilitate distribution whole shares may be split into fractions, but no splits of whole shares will be allowed after 31st July, 1932. Applications for splits must be made to the Company's transfer agent, National Trust Company, Limited, Toronto or Montreal, but for the convenience of European shareholders applications may be sent through the London agents of the Company under conditions, particulars of which may be obtained from the agents. Fractions resulting from the above stock dividend may be combined with outstanding fractions in respect of the 1st December, 1930, 2nd March, 1931, and 1st June, 1931 stock dividends, but not with outstanding fractions in respect of the 1st March, 1930, stock dividend unless the right to accrued dividends applicable to the latter fractions when converted into whole shares is waived. Forms of waiver for the purpose, as previously announced, can be obtained from the Company's transfer agent, National Trust Company, Limited.

By Order of the Board,
A. W. ADAMS,
Secretary.

Dated at Toronto, Canada, this 14th day of April, 1932.

The Company's London Agents are Canadian and General Finance Company, Limited, 3 London Wall Building, London E. C. 2, England.

Research Cheapens Oil Extraction

The Research Council of Alberta reports a discovery which will cheapen the extraction of oil or bitumen from McMurray tar sands. For some years research has been carried on into methods of separating oil from the bituminous sands which are a very extensive resource in Northern Alberta. The investigators, Dr. K. A. Clark and Dr. D. S. Pasternack now report that practically 100 per cent of the oil or bitumen can be recovered by using a solution of soda ash.

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Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Investors Desire Guide To Test Market Prices

Rough and Ready Rule of Ten Times Earnings Needs Further Consideration — Past and Present Only Useful as Throwing Light on Future

Some simple, infallible rule or maxim that will act as a shining light to guide investors through the encircling stock market gloom, is much in request these days.

Realizing that small groups of insiders in the case of each company know all the vital facts before the general public gets an inkling at annual meetings or earlier through the financial press, new students of stock market behavior would like to have some acid test or tests by which they can tell whether or not a stock is too high or too low. They do not expect to be able to know each time whether a stock is mounting under pool manipulation or falling under inside or necessitous liquidation. They do not expect to be able to judge always whether real news or propaganda is being fed to them, but they feel that there should be some more or less constant relation between a company's earnings and the market price for the guidance of investors who do not want to be speculators.

The enquirers say, impatiently, "Yes, yes, we know all about that," when they are told to base their investments on stocks of companies when their studies show these to have good management, good records, constant or growing markets, staple products, strong financial position, and freedom from dangerously large debts or commitments. Taking all that for granted, they want to know how to judge whether prices are too high or too low. They are not unreasonable enough to ask an absolute rule of guidance but one which in the majority of cases has been found reliable.

Ten Times Earnings Rule

In past periods of normal stock behavior many investors used as a rough and ready preliminary test of security prices a rule that a price ten times earnings was as high as most investors could afford to go with safety in buying stocks of industrial companies. For example, if International Nickel Co. appeared to such an investor likely to be able to earn $2 a share continuously at the same time that the shares sold as high as 70 in 1929, he would have declared that a price 35 times probable earnings was altogether too optimistic and that it could only be justified if the company were likely to earn an average of $7 a share on the stock over a term of years. Yet that conservative investor, insisting on applying his rule to actual earnings rather than estimated earnings, would on the basis of earnings as estimated by himself have been only willing to pay about $14.70. On the basis of present earnings he would only pay about $2.20 a share because last year announced earnings were at the rate of 22 cents a share for 1931. He might go much less than that because last quarterly statements showed a rate very much under 22 cents a share.

On the other hand the same ten to one investor might be willing to pay $58 a share for Page-Hersey common stock because earnings available in 1931 were shown at $5.81 a share. Yet the stock fell as low as 39 and has recovered to 42 as this is written.

No Rule Always Reliable

No such rule is reliable except as a first step toward analysis of a company and its possibilities as an earner. If the market price goes decidedly over or under the ten times earnings mark, the next step for the investor is to ask, "Why?" and then seek to answer his own question, using the financial journals and all available information. Undoubtedly earnings at 10 per cent over a period of several years must tend to increase the faith of investors in the permanence of dividends of $5 or $6 a share but there are other elements to consider.

When International Nickel sold at 70, actual earnings did not justify the payment of $1.50 a share. The conservative one who objected to a price of $70 as being preposterous was told in rebuttal of his arguments that International Nickel was in a class by itself, that the company had just found what Lord Melchett described as the richest mine on earth, that the company was just on the point of beginning exploitation of this mine and that finding a new mine was just like inheriting a fortune. Then came the stock market crash, later the catastrophic fall in the price of copper to the lowest point ever known as demand shrank to a low point and International Nickel found itself temporarily though in a smaller degree in much the same position as a man would be who came into the ownership of a good gold mine just as all the nations decided to go off the gold standard and return to trade by barter.

Earnings Decide Eventually

Earnings of a company must eventually decide the price but in periods of growth or in periods of diminished production and earnings, men's ideas of prospective earnings must govern the immediate market. For instance, Consolidated Mining & Smelting Co. and International Nickel Co. both showed losses for a few years after the war because the market was saturated with base metals until the existing supply neared an end and until new needs grew for nickel as a result of the company's research activities. Ten times earnings in 1921 would have been exactly nothing. Yet those who paid around $17 a share for either stock in 1921 or early in 1922 gained many times their money if they sold in 1929.

Similarly Loblaw Groceterias had in the early twenties a clever marketing plan to work on. It also had a nucleus of good stores but when it expanded it expected in each new store a period of losses until a certain volume was attained and thereafter profits. It needed also a large number of stores so that overhead costs would be cut to a minimum; the dual process of increasing stores and growing volume per store made at one and the same time economical operation and profits possible. In the early days an investor would have backed the plan and the management rather than the record as shown by net earnings. The same thing could have been said of Dominion Stores with its larger number of smaller leasehold stores.

Guard Against Over-enthusiasm

But if any investor needs to pray in connection with his operations as an investor, he should pray most and first for protection against the wiles of his own prophetic spirit, the little bright-eyed sprite that tells him a certain stock which has doubled its dividends in three years will repeat the trick in the next three, or that a new process or machine will make every shareholder of a certain company a fortune or competence.

Discount "New Era" Tips

When Massey-Harris common stock was selling in the neighborhood of 40 a Toronto broker of long experience and wise in the ways of markets said to the present writer, "That is too high. My experience through many depressions and booms has been that it is not safe to expect an industrial company on the average to increase its output more than 10 per cent yearly even in a growing country and in some periods any industrial company is bound to show recessions. People are talking about Massey-Harris as though it will increase earnings by 50 per cent in a year and keep doing it. It never did it in its best days and it never will be able to do such a thing consistently."

Another broker gave the speaker a merry "ha ha!" and said in effect, "Of course Massey-Harris earnings will jump every year. It cannot help but gather in much greater profits every year for the next decade anyway. Look at the trend to power farming! The farmers have all got to have the new machinery. It is a new era. Besides International Harvester wants to get control of Massey-Harris and that is what is keeping the stock active."

Brave Man Buys Now

The last speaker said "ha, ha!" quite often in the days that immediately followed while Massey-Harris shot up like a dizzy fire rocket to more than 90. But now that that common stock is selling below $4 and the company is offering discounts of ten per cent as an inducement to farmers to pay off the amounts still owing on machinery bought in the optimistic days, there is no laughter from any shareholder. The policy is doubtless good but the very need for such action makes them feel that recovery at best must take some years. They have hitherto been sustained by the memory that the company recovered after 1921 through years of diminishing losses until it was once again a profitable concern. When grain prices recover the company has a backlog in accounts to collect and inventory to sell worth at present values even after a 10 per cent discount many tens of millions of dollars.

But while farm purchasing power is low, and bad debts and discounts are to the fore it takes a brave soul to envision a day of good profits again. Yet the history of industry shows such recoveries after depressions by the hundreds. Because that history also shows a percentage of casualties in each depression, there should be careful buying by the long hold investor who is willing to take chances. There are innumerable instances of the man who was right too soon, who picked out the right industry as due to recover but the wrong company or who picked out a good company but the wrong industry, or whose calculations were thrown out by later unforeseen events such as a war, revolution, invention, or disaster of more than ordinary size.

Water Gone by Mill

To conclude, a brave man buying stocks which show low earnings now, may profit largely in the days to come but he takes great chances as the world is still travelling slowly through a fog. The man who waits until the trend to better times is clearer takes less chances, pays more for his stock, and his possible profits are lower but surer. Being surer they may in most cases in the aggregate exceed those of the daring man.

The man who holds by the ten times earnings rule, sells when a stock goes to 12 or 15 times earnings or when it goes to eight times earnings because of conditions likely to affect those earnings materially, is apt in the long run to check out quite well in the way of cutting investment losses. But he must keep investment and income return continuously in view and not be tempted away in the hope of speculative profits. The reason such a man should sell when a stock goes to 12 or 15 times earnings is that speculative profits thus ensured form a reserve against speculative losses when he sells other stocks in a time of market depreciation.

But remember no stock is good for anybody just because of present earnings. Past and present earnings have importance in so far as they give confidence as to future dividends. In all other respects they are water which has gone by the mill.

Half and Half

I am trying to decide whether I should hold or sell any of the following securities:

3 Tip Top Tailors (pfd.)
2 Standard Paving & Materials (pfd.)
3 Edmonton City Dairy (common)
$500 General Steel Wares 6% bond
20 General Steel Wares (Common)
$1,000 Canada Steam Ships bond
$500 Burns & Co. 5½% bond.

What is the situation of each of these companies?

Tip Top Tailors had a declining volume of business in dollars in 1931, but has maintained a strong working capital position; so far preferred dividends were well covered, although on a descending scale in the last three years. The company is the leading Canadian men's clothing manufacturer operating its own retail stores. Enlargement of production facilities coincided with the beginning of the business depression, but the company has made many economies and is believed to be in a position to benefit from any improvement in trade.

As common dividends were deferred in July last the position of Standard Paving and Materials preferred stock may be somewhat in question during the next few years until one sees whether the demand for tax reduction and for economy in municipal, provincial and Dominion expenditures has any great effect on earnings of such companies as this. Construction is at a low level and paving programmes may be, although desire to give employment has so far kept up municipal expenditures in this line. The demand for economy is even stronger.

Edmonton City Dairy has given a good account of itself in recent years, despite considerable competition and the depression.

The depression has hit the last three companies in your list, that is, General Steel Wares, Canada Steamships and Burns and Company, more harshly than most. Canada Steamships, which had been improving its position consistently for about five years until 1929, has been suffering since then from continuous losses, because of the break in continuity of wheat shipments from Canada to markets in Europe. The depression also hit its passenger business to a certain extent. A return of good business conditions would be very helpful to this company as it would to both Burns and Co. and General Steel Wares. Burns and Co., as you know, has had to ask some consideration from its bondholders and General Steel Wares is in a position where the bondholders may find it difficult to find a market until earnings once more surpass by a goodly margin the interest needs. Your securities are about equally divided among three companies that have stemmed the depression with some success to date and three that need better times badly.

Ford or Nickel?

I wish to buy outright or with idea of paying outright for them later a number of shares of one stock (to hold a few years). I know it is not good practice to do this sort of thing but I wish to take a gamble at an investment as it were and would like your advice which to buy, Ford A or International Nickel?

Your problem is to decide between two stocks, one of a company whose future prosperity depends mainly on the volume of sales in Canada and the other of a company whose future prospects are mainly tied up with whatever fluctuations there may be in the international demand and the prices paid for nickel and copper.

A purchase of Ford "A" stock will be made by one who is not so much influenced by the present low level of automobile business as he is impressed with the financial strength of the company, the expanding production and earnings through most of its history and the way in which it turned over some years ago from the old Ford car in order to have cars which compete with the latest engineering developments in the industry so far as cheap cars are concerned. It cost all the Ford companies many scores of millions of dollars to make that change, and the change has been made successfully even though the stringency of the depression has led the company to drop dividends. It now offers a new line of cars, an improved eight and an improved four. Apparently the imagination of potential buyers has been caught by the new cars, but it will take some time to see whether the volume required to pay dividends will be achieved in 1932 or 1933. Other powerful companies are competing keenly for the available business.

International Nickel is strong financially, has successfully recovered from periods of loss in the past, has 90 per cent of the world's business in nickel and stands to gain very greatly when prices of copper and silver recover, especially the former. Recovery of base metal markets is its chief need.

Municipal Bankers

Do you consider the bonds of Municipal Bankers Corp. Ltd., a good investment? There are salesmen offering these bonds for sale in this locality.

Municipal Bankers Corp. found it necessary to reorganize early in 1931, forming a new company known as Municipal Bankers Corp. (1931) Ltd., to consolidate all bonds in one issue of $2,396,800 secured by one trustee. The bonds of the new company were to bear interest at 2 per cent for one year from March 15, 1931 to March 15, 1932, 4 per cent from March 15, 1932 to March 15, 1936 and 5 per cent from March 15, 1936 to March 15, 1946, when they will mature.

You ask if these are a good investment. As the company is in process of working out a plan which was devised to save it from bankruptcy that plan will have to be watched for some years to see whether the increased interest asked for from time to time can be met. On that will depend the answer to your question, and you cannot get the answer for four years at least.

In times like this the company has a serious task in that the amount of interest which it has now to pay has risen from 2 per cent to 4 per cent. No promise could be given at this time that the company will be successful in clearing all the various hurdles ahead.

Canadian Royalties

Can you give us any information on Canadian Royalties—which we believe is now the Automatic Machine Company?

As stock of Canadian Royalties is not listed anywhere, and it has not provided the public with a statement of position, it is difficult to give you a satisfactory answer to your question. You are probably aware that Automatic Merchandising Corp. of Canada Ltd. was formed with the idea of trading in stock for the machines bought by yourself and others from Canadian Royalties, Ltd. About a year ago the company stated that about 80 per cent of the machine owners had transferred their machines for stock. The argument used, to induce exchange of machines for preference shares, was that the newly formed company went into the automatic vending business on a larger scale and in much greater variety. They stated that postal vending machines of Canadian Royalties showed a large drop in sales as stamp prices changed.

In the vending machine business success is dependent not only on continued servicing by the company running the machines, but also on changing popular fancies which it is impossible to estimate for a long period ahead. The company is reported to be about to make a statement of affairs to shareholders.

Southwest Petroleum

Here in California I am rather out of touch with an investment I made in stock of Southwest Petroleum Co. Can you tell me the present situation?

Southwest Petroleum Co., subsidiary of Foothills Coal and Gas Co., had a total income of $45,867 in 1931 as compared with $24,545 in 1930. Disbursements and appropriations, however, were large enough to cause a loss in 1931 of $154,181. There was a large working capital deficit. This company will have to fall in line with the conservation programme to be made compulsory by the Alberta government. The first result may be decreased revenue.

The Short and Long Story Of One Unique Investor

A reader of The Financial Post, who makes constant use of its enquiry columns, tells a true tale that to most traders will sound like a fairy story of a speculative programme which in the last 15 months has resulted in every transaction showing a profit. Such a record is admittedly unique as in these hectic stock market days it is often claimed that but little opportunity is offered the investor for profit.

We pressed for the details of his plan and some of the highlights of it are herewith passed along to the reader:

"Fifteen months ago," he said, "after heavy losses in the market I was tempted again to make some small investments, confining them to the better class dividend paying mining securities that were market favorites and in which there was therefore considerable trading. I made it a point not only to ascertain all the reliable information there was to be had on the earning and potential earning position of the respective companies but also studied the general conditions having a direct effect on these stocks. I also studied the apparent action of pools operating in these stocks. As my fund available for speculation was not large I decided that I would trade entirely on margin, keeping funds available for additional margin should same be required. Another fundamental policy was that I would be satisfied with small profits, not attempting to sell at the top or to buy at the bottom. I also followed the policy that when I sold my long holdings I would sell short and when I covered my short holdings I should go long again.

"My first purchase was in International Nickel early in 1931, which soon after had a flurry upwards to around $17 per share, when I sold and went short, covering a few days later at around $15.

"Gold stocks were in public favor a little later and I bought Wright-Hargreaves because of its present and potential earnings and came nearly being badly set when England went off the gold standard and the gold stocks sunk to new lows. I hung on and a little later there was a flurry in this stock that had all the earmarks of pool operations and I sold with a satisfactory profit. Dome about this time was selling to give a better than 11 per cent yield on the investment, which with the strong liquid position of the company, tempted me to invest. This spring there was rapid price advance in this stock which seemed too rapid to be a healthy gain and, although I had a high appreciation of its intrinsic value, I sold and went short as the company's president had stated that higher dividends could not be expected until a still greater cash equity was behind the shares.

"The next market activity in a high grade mining stock that did not seem justified by earnings or conditions was that of Noranda. When this reached better than $19 per share, I sold short, and covered again within 24 hours, with a tidy profit."

"This is all very interesting," said The Financial Post representative, "but what are you holding now?"

"Nothing," was the reply. "I am just marking time, awaiting the turn of events as I believe there are some great bargains going that will show a great profit to the careful buyer."

"What was the net profit from your 15 months market operation?" he was asked. "Oh, I more than doubled my money."

"Luck," commented The Financial Post man.

"Yes, plus careful investigation," was his reply.

Here is One Banker Who Urges Ads.

Advertisers are urged by the Straus National Bank not to reduce their advertising appropriations, but instead to maintain schedules at the normal level necessary to stimulate buying, it is announced by Melvin L. Straus, vice-president of the bank.

Mr. Straus' statement follows: "Hoarding of advertising is one of the most disturbing factors which business today is contributing to its own depression. At a time when the government and civic organizations are taking strong measures to ease credit and stimulate the flow of currency, if business lacks confidence in itself how can it expect the public to have any?

"With production restricted, overhead curtailed, and profit ideas deflated, business is on a sensible basis for the first time in several years.

"What business needs is to win back self-confidence, and recapture the consumers always lost by a decline in advertising.

"More and even better advertising, is important to business right now.

"Buying will increase only when the buyer wants certain products more than he wants the money it costs to purchase them. The American buyer today is essentially an advertising-minded purchaser.

"He gains confidence about products and a desire for them largely from the printed words.

"It is obviously the wrong time to reduce the flow of the printed word, when public confidence shows signs of drying up."

Canning Plants Gain in Quebec

During the past decade there has been a rapid development of small canning establishments in rural Quebec. In 1920 there were but 4 or 5 canning plants of this type whereas in 1931 there were 59. The output was 500,000 cases of canned goods and in addition catsups, mayonnaise, marmalades, jellies were made in considerable volume. The value of these canned goods produced in Quebec in 1930 was over $4,000,000.

Maritime Poultry Invade Trinidad

Maritime poultry is now invading Trinidad. The other day a shipment of 96 selected and inspected cockerels and pullets left Halifax for Port of Spain, to be used as foundation stock. The selection was made along the lines of the Dominion Atlantic Railway in the Annapolis Valley and at Truro.

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paid on deposits—subject to withdrawal by cheque.
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200 Toronto General Trusts Bldg., Winnipeg, Manitoba

Fight—to a finish

PHYSICIANS, nurses and public health workers are fighting brilliantly, doggedly and untiringly to conquer tuberculosis. They have cut the death-rate two-thirds in the past thirty years. But because the death-rate has steadily declined, many people are being lulled into a false sense of security, making the fight more difficult.

Tuberculosis is still the chief cause of death of persons between the ages of fifteen and forty-five in this country. Last year, on this continent, the disease cost about 94,000 lives.

Not merely the underfed and undernourished are stricken. Many who have every advantage that money and care can provide, unexpectedly develop active tuberculosis.

There is a modern defense against mankind's old enemy, once the most destructive of all diseases. By means of annual physical examinations which include X-ray and other tests for children, and fluoroscopic or X-ray examinations for older persons, the presence of tuberculosis can be detected before serious damage has been done to lungs, bones or other tissues.

Failing such regular health examinations—for old and young—tuberculosis will continue to attack unwary and unsuspecting victims.

Tuberculosis doesn't "just happen." Those in close contact with tuberculosis may contract the disease if not guarded against infection. Children are especially susceptible.

Early recognition is the all-important element in preventing the spread of tuberculosis in a family. Immediately after a person is discovered to have the disease, every member of his household should have a complete examination. Clinics are usually available if a private physician cannot be afforded. By prompt measures, it is often possible to find other cases of the disease in such early stages that a rapid and complete cure may be effected.

When each family gives this most valuable co-operation and when each doctor promptly searches for and reports all active cases, tuberculosis will be well on the way to extinction.

Victory can be won in this splendid war—
but not until all take part in this fight to a finish.

METROPOLITAN LIFE INSURANCE COMPANY
Frederick H. Ecker, President
CANADIAN HEAD OFFICE - - - OTTAWA

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FIRST MORTGAGE LOANS
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Give your office or store a new lease of life. Replace that noisy, shabby floor with permanent, quiet Dominion Battleship Linoleum, for your own or your customers' comfort and for a real saving in cleaning and upkeep costs.

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Made in three qualities, AAA in eight colours; AA and A in four; special shades obtainable for large contracts. For offices, halls, stores and all types of public buildings.

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NO MORE TELEPHONE DETOURS

THE TRANS-CANADA TELEPHONE SYSTEM

The TRANS-CANADA TELEPHONE SYSTEM

The advent of The Trans-Canada Telephone System heralds a period of greater trade between eastern and western Canada, better understanding between the nine provinces and a unity which will result in greater progress than ever for the Dominion.

But apart from its national significance, The Trans-Canada Telephone System benefits every individual user of the long distance telephone. Before the System was created, calls from eastern to western Canada were detoured through the United States. Now all these detours are eliminated. Calls are kept within our own borders. Communication is simplified, connections speeded up, clarity of transmission obtained at the highest standard.

And all this is due to the efforts of seven telephone organizations joined in The Trans-Canada Telephone System. Over an all-Canadian network, Canadian subscribers can now speak direct to any point in east or west. With Dominion-wide facilities, with a reliability ensured by incessant vigilance, The Trans-Canada Telephone System offers every Canadian business or private citizen a practical, all-Canadian telephone service, adequate to the social and industrial needs of the country.

Alberta Government Telephones
Bell Telephone Company of Canada
British Columbia Telephone Co.
Manitoba Telephone System
Maritime Telegraph & Telephone Co.
New Brunswick Telephone Co.
Saskatchewan Government Telephones

3217

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Markets

WEEK ENDING APRIL 18

Range 1932 High	Low	Divd. Rate	Yield in % Apr. 16		Sales	Close Apr. 11 (or last)	Week Ending Apr. 18 High	Low	Close
[illegible]	[illegible]			Abitibi	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]			Do. pref.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Acme F. D'y. P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Agnew Surp.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

x Quotations for 1931. No sales recorded in 1932 to date.
b New York Quotations.
c Or payable in stock.
‡ Quotations for 1930.
§ 25c monthly plus stock dividend of ¼ of 1% monthly.
† Plus stock bonus.
¶ Stock dividend payable June 1; 25c, cash paid Mar. 1, 1932.
* Minimum price is set, below which trading is not permitted for time being. List of minimum prices is given elsewhere.

Listed Bond Quotations

Week Ending April 18

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1932 High	Low
Abitibi, 1st mtge.	5	1953	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Asbestos	5	1942	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

†Latest ask.
‡Quotations for 1930. *For 1931. None recorded in 1932 to date.

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Aluminium, Ltd., pfd.	[illegible]	[illegible]	[illegible]	[illegible]
Bank of Montreal	[illegible]	[illegible]	[illegible]	[illegible]
Bank of Toronto	[illegible]	[illegible]	[illegible]	[illegible]
Brazilian Tr.	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

*Stock dividend paid in lieu of cash.

Dividends Passed or Deferred:

[illegible]

Dividend Rate Reduced:

[illegible]

Extra Dividends:

Dome Mines, 20c., July 20.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co. Limited, Canada Permanent Bldg., Toronto, Ontario, April 18, 1932.

Provinces:	Rate	Actual Maturity	Next Int. Date	Approx. Price	Approx. Yield %
Alberta	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

*New York payment.

Stocks With Minimum Prices

Can. Canners, c.	8	Central Can. Loan	285
Do., 1st pref.	50	Economic Invest.	80
Do. convert. pfd.	10	Huron & Erie	100
Dominion Bridge	22	Do., 20% paid	125
East. Steel, com.	3	Landed Banking	115
Montreal Light, Heat	30	National Trust	225
Nat. Breweries	19	Ontario Loan	125
Do. pref.	35	Real Estate Loan	75
Ogilvie Milling	150	Tor. Gen. Trusts	200
Ottawa L. H. & Pr.	185	Toronto Mortgage	100
Do. pref.	90	Union Trust	95
Price Bros.	6		
Shawinigan Power	31	**Banks**	
St. Lawrence Paper	10	Banque Canadienne	150
Windsor Hotel	50	Bank of Commerce	179
		Dominion Bank	195
Trust and Loan		Imperial Bank	195
Canada Perman.	175	Bank of Montreal	220
		Bank of N.S.	259
		Royal Bank	205
		Bank of Toronto	183

Winnipeg Stock Exchange

April 14, 1932

	Bid	Ask		Bid	Ask
Beaver Fire	...	100	Monarch Life	20	...
Beaver Lumber pfd.	...	15	North. Trust	...	30
Can. Amer. Tr. sh.	...	3	Un. Gr. Growers	...	8
Can. Fire Insur.	...	68	Reliance Gr. pf.	...	20
City Dairy (Wpg.)			West Breweries	...	25
pref. 7%	...	75	West. Grocers	...	25
Corporate Steel c.	...	6	Fund. Tr. shs. "A"	...	3
Cres.-Cream, pfd.	...	75	Do. "B"	...	3
			Grouped Inc. Shs.	...	3.54

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co. Limited, Investment Bankers—Toronto)

April 18, 1932

Industrial Stocks:	Bid	Asked	Insurance Stocks:	Bid	Asked
Acadia Sugar com.	[illegible]	[illegible]	Br. Amer. Assce.	[illegible]	[illegible]
Acadia Sugar pfd.	[illegible]	[illegible]	Can. Life Assur.	[illegible]	[illegible]
Acme Farmers Dairy pfd.	[illegible]	[illegible]	Canada Nat. Fire	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Active Current Bond Prices

April 18, 1932

	Bid	Asked	Yield
Dominion of Canada 5½/33	[illegible]	[illegible]	[illegible]
Dominion of Canada 5½/34	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

Foreign Exchange

New York Funds (Premium)

	High	Low	Last Year High	Low
April 13	11 1-16	10 3-4	3-64	1-32
April 14	11 1-8	11 1-16	3-64	1-32
April 15	11 1-8	11	3-64	3-64
April 16	11 1-4	11 1-8	3-64	3-64
April 18	11 5-16	11 1-8	3-64	1-64
April 19	11 5-16	11 1-8	3-64	1-64

STERLING, FRANCS AND LIRE

(Close Demand in New York)

	Sterling	Francs	Lire
April 13	3.77 3-4	3.94 1-8	5.14
April 14	3.75	3.94 1-4	5.14
April 15	3.76 1-4	3.94 1-8	5.14
April 16	3.77 1-2	3.94 5-8	5.13
April 18	3.78 3-4	3.94 7-8	5.14
April 19	3.76		

FOREIGN EXCHANGE

(Close Demand in Toronto)

Par		Apr. 5	Apr. 12	Apr. 19
5.26	Italian	5.72½	5.69½	5.71
23.80	German	26.34	26.19	26.18
13.90	Belgian	15.71	15.56	15.60
49.85	Japanese	36.95	37.50	37.92

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving at least an idea of approximate price is better than none at all.

FORD MOTOR CO. LOSS $1,384,757 CASH ASSETS HIGH

Working Capital Ratio Improves During Year —Exchange Difficulties

Net loss expected for six months back from the operations in 1931 of the Canadian factory and branches of Ford Motor Co. of Canada, after all changes for manufacturing, selling and general expenses, including depreciation, less dividends received from affiliated companies, is shown by the annual report to have been $1,384,757 as compared with a net profit of $3,157,877 for 1930. Dividends of $995,376 were paid during the year on 1,588,960 shares of class A stock and 70,000 shares of Class B voting stock as compared with $3,483,816 in the preceding year.

There was, therefore, after the payment of dividends, a deficit of $2,380,133 for the year as compared with a deficit of $325,939 in 1930. The previous surplus was $28,436,965 and the amount carried forward into 1932 was $23,764,262 after deducting the deficit for the year, tax adjustments and transferring $1,250,000 to the reserve for investments in affiliated companies and for contingencies.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1931 $	1930 $
Earn. from oper.† ..	*1,668,630	3,234,308
Divds. rec. fr. affil. cos.	283,873	89,816
Net earnings	*1,384,757	3,324,124
Less: Prov. for inc. tax	....	166,247
Net profit	*1,384,757	3,157,877
Less appropriations: Dividends paid	995,376	3,483,816
Surplus	‡2,380,133	‡325,939
Add: Prev. surplus ..	28,436,965	29,762,904
Less: Tax adjust. ...	42,570	....
Trans. to res. for invest. in affil. cos. & conting.	1,250,000	1,000,000
Bal. carried forward	24,764,262	28,436,965

*Net loss.
†After deduction of all charges for manufacturing, selling and general expenses, including depreciation. ‡Deficit.

Total sales and other income for the year amounted to $21,596,851 from sale of 30,898 units, including sales to affiliated companies. In the report of directors to shareholders, signed under date of April 5, 1932, by W. R. Campbell, president, it is stated that a sufficient amount has been included in reserve for investments to affiliated companies and contingencies to provide for full depreciation in value from cost to prices current at the end of 1931.

Though current assets are down from $28,877,915 to $27,174,309 the decrease in current liabilities from $1,325,308 to $492,228 means that the ratio improved from 21.7 times to 1 to 55.20 to 1.

Working Capital

	1931 $	1930 $
Current assets	27,174,309	28,877,915
Current liabilities ..	492,228	1,325,308
Working capital	26,682,081	27,552,607
Ratio	55.20—1	21.79—1

Position Very Strong

The company displays as usual its phenomenally strong cash position; actual cash being $4,757,775; bonds issued, or guaranteed by the federal, provincial or municipal governments in Canada at $14,362,646 and interest accrued on bonds and bank balances of $164,852 or $19,285,272 in all as compared with $18,498,417 at the end of 1930.

Accounts receivable of $5,451,358 compare with $6,459,492 a year earlier. Advances to affiliated companies are shown at $5,267,083 at the end of 1930 with $4,970,163 at the end of 1931. Mr. Campbell states that this represents principally the value of materials sold to affiliated companies for the assembly and resale of Ford products and is a reduction of $296,919 as compared with last year. In 1930 restrictions on the movement of Australian funds had made it practically impossible for affiliated companies in Australia to effect remittances of their funds in settlement of advances, even at substantial discount rates and therefore there was an aggregate increase in this amount of $939,187. Some improvement in this respect apparently has been made in 1931.

Sight drafts and open charge account less reserve for doubtful debts are down from $245,927 to $119,839 and customs drawback and refund claim $946,482 to $361,355. These two items apparently are a reflection of the lower volume of business in 1931.

Inventories Down

Inventories at not more than cost or market value dropped during the year from $3,733,647 to $2,437,679. This is a reduction of $1,295,968, deferred charges such as insurance and taxes amounting to $217,412.

Current liabilities of $492,299 are made up entirely of accounts payable, $397,882 to purchase creditors and $94,346 to accrued taxes, expenses and pay rolls.

Investment in capital stock of affiliated companies is shown at $6,205,502, which is just the same as in 1930 and represents cost of capital stock fully paid in affiliated companies located in Australia, South Africa, India and Malaya.

Plant account at $24,886,944 show little change, but the reserve for depreciation in plant increased from $15,061,947 to $16,598,979 and the reserve for investment in affiliated companies and contingencies increased from $2,000,000 to $3,270,000. Prior to 1930 this reserve was for contingencies only and stood at $1,000,000. The additions have been made in view of the existing economic and political conditions and the uncertainties in the near term future in the company's overseas territory. A note to the balance sheet states that this reserve is sufficient to provide for full depreciation in market value of bonds, impairment of capital of affiliated companies and depreciation in foreign exchange at the end of 1931.

C. W. Lindsay Omits Common Dividends

From Our Own Correspondent

MONTREAL.—Dividends on the common stock of C. W. Lindsay Co. have been passed but the regular disbursement on the 6½ per cent preferred stock for the quarter ended March 31 has been declared payable June 1 to shareholders of record May 14.

Suspension of the common dividend, which has been paid at the rate of 25 cents quarterly since December 1, 1928, follows decreased sales and lower earnings. In the fiscal year ended February 29, 1932, it is understood that the sales dropped about 32 per cent below levels of the previous year.

Figures on earnings are withheld pending publication of the financial statement in the near future. In the previous year earnings were equal to $2.90 a share on the common. The company is a distributor of all kinds of musical instruments.

Seek Legal Advice On Corporate Steel

From Our Own Correspondent

MONTREAL.—Legal forces will shortly be thrown into the struggle to disentangle the affairs of Corporate Steel Products and subsidiary companies. It is understood that the National Trust Company has taken steps to obtain legal opinion on the situation surrounding George W. Reed Co. in its relation to Corporate Steel Products in liquidation and Western Steel Products, in receivership. A definition of its position will be a step forward in straightening out the whole problem and establishing the position of Reed creditors.

Liquidators of George W. Reed have been held up by the involved status of the company. Corporate Steel Products holds all the Reed shares but the property, comprising a new $1,000,000 plant in Montreal, is owned by Western Steel Products whose common shares in turn are held by Corporate Steel.

March Asbestos Shipments Continue on Lower Scale

From Our Own Correspondent

MONTREAL.—Asbestos shipments from Thetford, Black Lake and Coleraine and East Broughton showed further declines in March. Shipments of crude number 1 were 7 tons, an increase of 4 tons over the previous month but comparing with 36 tons in March, 1931.

Fibre shipments at 1,721 tons compared with 3,700 in March last year and shipments of shorts in bags totalled 2,083 tons against 4,303 tons in the same month a year ago. No refuse in bulk has been shipped this year to date.

In crude number 2 shipments some gains were shown. In this division 52 tons were shipped and increase of 32 tons over the previous month and a gain of 12 tons over March 3, 1931.

CANADA DREDGE EXTENSION PAID OUT OF ASSETS

Earned $1.60 on Common Shares, Against $3.74 in 1930

Earnings of Canadian Dredge & Dock Co., severely affected by curtailment of construction programmes by both corporations and governments, equal $1.60 per share on the 92,498 shares of no par value common stock outstanding in the year ended Jan. 31, 1932, as compared with $3.74 per share in the previous year. After payment of preferred dividends and three quarterly dividends on the common stock, the company reduced surplus account by $60,291 before adjustments. Surplus carried forward is $546,562 as against $618,952 the previous year.

The company now has work under contract amounting to over $1,000,000 and if sufficient moneys for payment are provided to carry on for a full season it is stated that the company could expect a satisfactory year. Payment of common dividends will depend largely upon volume of work completed and funds available for payment. When dividends are resumed on the common stock payment will be on a semi-annual basis.

Income and surplus account for the past two fiscal years are as follows:

CONS. INCOME AND SURPLUS ACCT.
Years Ended January 31

	1931 $	1930 $
Net earnings	267,806	432,385
Less: Deprec.	93,196	66,920
Income tax res. ..	20,947	13,388
Net profit	153,663	352,077
Less: Preferred divds. ...	5,854	5,901
Common divds.	208,100	277,388
Surplus for year	*60,291	68,788
Add: Prev. surplus ..	618,952	550,164
Less: Tax adjustments	12,098	....
Surplus forward	546,562	618,952

*Loss.

Working capital has been reduced to $95,722 from $791,647 shown the previous year due to extensions to plant amounting to $560,605 made during 1931 which are in addition to extensions costing $275,181 in 1930. Cost has been taken out of current assets pending permanent financing which, when completed, will improve working capital by some $800,000. Current assets total $875,072 and current liabilities $779,350. Included in current assets are high-grade bonds amounting to $236,695 part being used as collateral for bank loans and part for deposits on contracts. Accounts receivable total $336,835 and retentions on contracts total $240,969, both items being hypothecated as security for loans. Bank loans amount to $639,000 and accounts payable to $140,350.

Fixed assets are valued at $3,732,850 before deduction of depreciation reserve of $1,105,474. Depreciation reserve was increased by $93,196 during the year. Expenditures applicable to 1932 operations of $210,389 are included as a deferred charge under assets. Preferred stock is carried at $83,400; common stock at $1,466,600 and capital surplus at $836,925.

HOPE FOR SOLUTION INSURANCE PARLEYS

Vexed Question of Jurisdiction May be Settled This Week

No final settlement between the provinces and the dominion has as yet been reached in the matter of insurance jurisdiction, The Financial Post learns, although by the end of this week some definite basis of compromise will be reached, it is hoped.

The third and last federal statute for the regulation of insurance was introduced into the Senate last week and now all three bills are before the Banking and Commerce committee of the Senate for consideration.

Last week when the committee met it heard the suggestion of Attorney-General Price of Ontario that permissive legislation for central inspection and report on the operations of companies be enacted by the Dominion; but that the provinces have jurisdiction over the "coercive" measures. The alternative proposal by Mr. Taschereau was that the principal of central control be accepted, to be implemented by provincial legislation. His suggestion contemplated preservation of the "status quo" for one year, during which there would be no litigation between the Dominion and the provinces. In that period the whole situation would be reviewed and legislation drafted to meet the conditions.

Further parleys are being held in Ottawa this week.

LAKE ST. JOHN PAPER OUTPUT LARGER IN 1931

Operating Income, However, Below Needs For Fixed Charges

From Our Own Correspondent

MONTREAL. — Lake St. John Power and Paper Co., controlled by St. Lawrence Corp., was one of the few newsprint manufacturers in Canada to report an increase in production last year, output having amounted to 57,400 tons as against 54,738 tons in the preceding year.

Gross income from operations in 1931 totalled $569,963. Comparative figures for the preceding year are not available, as the old management did not make a practice of issuing a public statement.

Create $51,987 Deficit

After providing for depreciation and depletion, there remained a balance of $307,520 available for bond and debenture interest. These charges aggregated $504,405, which resulted in wiping out the previous surplus and creating a deficit of $51,987.

Details of the profit and loss account follow:

	1931
Profit from operation	$569,964
Less: Depreciation	170,643
Depletion	262,443
	307,521
Deduct: Bond interest	318,370
Debent. interest	186,035
Surplus	*196,886
Brought forward	101,764
Profit on bonds redeemed	43,133
Deficit	51,987

*Deficit.

The balance sheet as at the end of 1930 listed assets of $17,406,049, of which fixed assets totalled $15,081,774.

Current assets amounted to $2,239,539, against current liabilities of $1,905,156. The latter item includes secured bank loan of $1,207,500.

The remaining items among assets are relatively unimportant.

Reduce Funded Debt

On the liability side of the balance sheet the company shows outstanding $5,000,000 of first mortgage bonds of which $112,000 have been redeemed for the sinking fund, while there is issued $3,000,000 of 6½ per cent debentures, less $151,000 redeemed for sinking fund.

Capital stock includes 36,000 shares of 7 per cent cumulative preferred stock of par value $3,600,000 and 100,000 shares of no par value common stock shown on the books at $1,000,000.

Among reserves is one for depreciation totalling $728,355, and one for depletion for $366,153. The capital surplus at the end of December last totals $2,069,385.

ONTARIO SILKNIT PROFIT INCREASED

Write-offs on Subsidiaries Reduces Earned Surplus

Ontario Silknit Co. increased profit on operations in 1931 and earned $9.52 per share on the preferred stock as compared with $4.96 in 1930 and 62 cents per share on the common stock after provision for a full year's preferred dividend as against a loss in 1930. Extensive write-offs of depreciation in current assets of the Australian subsidiary due to exchange conditions in 1930 and 1931 required drawing on earned surplus which was reduced to $53,647 from $112,213 brought forward from 1930. The company manufactures various lines of rayon ladies wear.

Ratio of current assets to current liabilities is higher at 2.98 to 1 although working capital is slightly lower. Current assets total $777,809 and current liabilities $260,442. Cash is shown at $29,591; accounts and notes receivable are down to $243,771 from $307,009 and inventories to $487,752 from $632,661. Advances to employees total $10,739. Bank loans and overdrafts have been reduced to $4,296 from $45,577; accounts and notes payable to $228,183 from $332,143.

Investment in affiliated companies is carried at $2; deferred charges at $10,418 and fixed assets at $1,131,372. Additions to fixed assets in 1931 amounted to $47,135 while depreciation reserve was increased by $53,174 to $212,847. Mortgages payable have been reduced to $117,875 from $126,375. Capital stock outstanding remains unchanged with 10,000 shares of $100 par value preferred and 40,085 shares of no par value common. Preferred dividends are in arrears since September 1, 1931, and are cumulative. Surplus of predecessor company is carried at $267,957 and earned surplus at $53,647.

Income and surplus account for 1931 and 1932 are as follows:

CONS. INCOME AND SURPLUS ACCT.
Years Ended Dec. 31

	1931 $	1930 $
Net earnings	170,419	116,118
Less: Deprec.	53,174	64,203
Income tax prov...	22,026	2,293
Net profit	95,219	49,622
Less: Pref. divds. ...	52,500	70,000
Surplus for year	42,719	20,378
Add: Prev. surplus .	112,213	288,206
Proceeds from life insur.	....	35,726
Less: W/o Mex. invest.	....	191,341
W/o on foreign subsid. to cover 1930 decline in exch. rate	50,000	....
W/o subsid. applicable to 1931	51,286	....
Surplus forward	53,646	112,213

Montreal Stock Exchange Cuts Bank Stock Minimums

From Our Own Correspondent

MONTREAL.—Montreal Stock Exchange has announced a further revision in the minimum prices of the bank stocks. The following pegs have been lowered: Banque Canadienne Nationale from 155½ to 150; Bank of Commerce, from 186 to 176; Dominion Bank, from 189 to 179; Imperial Bank, from 188 to 205; Bank of Montreal, from 215 to 205; Bank of Nova Scotia, from 269 to 259; Royal Bank, from 211 to 201; Bank of Toronto, from 193 to 188.

Similar action has been taken by the Toronto Stock Exchange on all issues with the exception of the Banque Canadienne Nationale.

Foresee Competition for Neon Advertising

From Our Own Correspondent

MONTREAL.—Officials of Claude Neon General Advertising are silent regarding possible competition afforded by the formation of Westinghouse-Neon Co. which will manufacture Neon tubing in Hamilton. Indications are that the Westinghouse company will enter a field largely served by Claude Neon but officials have no comment to make.

Operations of Claude Neon General Advertising in the first quarter of the current year are reported to have been satisfactory; directors will meet shortly for dividend action on the preferred stock.

Federal Surtax Found to Apply to $5,000 Income

Official interpretation by federal government officials as to what constitutes "net income" for purposes of income tax returns necessitates a slight change in the four column table published on this page last week by The Financial Post and showing how to compute income tax returns under the new schedules announced last week.

It will be remembered that the Rhodes budget introduced a 5 per cent surtax on all "net income in excess of $5,000." The words "net income" were interpreted in this table as meaning income after all deductions and statutory exemptions, but official interpretations gives "net income" as the amount of money received after deducting only non-taxable income and before deduction of statutory exemptions of $1,200 and $2,400 and allowance for dependents. After statutory exemptions are allowed the result is called "net taxable income."

Tax Starts Earlier

This means that a man receiving a net income over $5,000 would have to pay the surtax of 5 per cent, whereas under the former interpretation, only those receiving income in excess of $5,000, after the statutory exemptions of $1,200 or $2,400, would pay the surtax. This necessitates changing the second and third lines in The Financial Post table to provide that where "net income," as distinguished from "net taxable income" amounts to over $5,000, a surtax of 5 per cent is payable.

It is also to be noted that the surtax is payable on incomes "in excess of $5,000" not "$5,000 or over" as indicated in the table.

CANADA STEAMERS HEAD ON OUTLOOK

Banks Will Advance Funds to Carry on Year's Operations

From Our Own Correspondent

MONTREAL.—Outlook for the packet freight business of Canada Steamship Lines in 1932 is good at present, but prospects for other departments are not so favorable. This was the opinion expressed at the annual meeting of the company by W. H. Coverdale, president, who said that last year's packet freight business was the best in the company's history and prospects for this year were equally as good.

The grain movement was not strong, stated Mr. Coverdale, and gave little or no indication of improvement at the present time. The programme for ore requirements this year, he added, would be about 18,000,000 tons which was just about one-quarter that of recent years. Coal boats returning back up the lakes would thus not be so heavily laden.

The tourist trade, he intimated, gave some signs of improving this year. Passengers carried by Canada Steamship Lines last year numbered 514,000 which was only 39 per cent of the 1,328,000 total in 1928. Freight carried in 1931 was 4,267,000 tons, or 52 per cent of the 1928 total of 8,150,000 tons.

Banks Advance Money

The banks, the president said, had already indicated their willingness to advance the money to carry on the year's operations. The money already borrowed this year was below the usual amount at this season of the year. Expenses also show a reduction from the same period of previous years.

The shareholders today voted to repeal the by-law covering the election of an advisory committee in London. The saving thus accomplished, Mr. Coverdale said, would amount to between $8,000 and $10,000 per annum. In this connection, he pointed out that administrative charges last year, which included the London committee and Canadian directors, was about $16,000. This amount, he expected, would be further reduced this year.

Directors were relected and reports and statements adopted without comment.

HAMILTON UNITED EARNINGS LOWER

Cash Position Strong at End of 69 Week Fiscal Period

Hamilton United Theatres Ltd. had net earnings of $117,910, before depreciation and income tax in the 69 weeks ended December 26, 1931, as compared with $116,578 in the preceding 12 months period. Earnings after provision for depreciation, income tax and preferred dividends amounted to 22 cents per share on the 48,020 shares of common stock outstanding as compared with 32 cents per share in the previous period. After deduction of all expenses and provision for reserves the surplus carried forward at the end of 1931 was $68,830 as compared with $60,398 brought forward at the beginning of the period.

Both current assets and current liabilities were slightly higher at $100,922 and $22,887 respectively. Working capital was $78,045 as compared with $77,346 at August 30, 1930. Cash in bank amounted to $20,799 while Dominion of Canada bonds are carried at $75,487 and have a market value of $74,750. Chief current liability is preferred dividend payable of $13,788 and reserve for Dominion income tax 1931 of $6,219.

Theatre properties are valued at $700,319, including land at $222,655 and buildings, furniture, fixtures and equipment at $845,312 from which is deducted depreciation reserves of $367,648. Goodwill, franchise, etc., are valued at $1,310,188 while deferred assets consisting of sound equipment licenses and installation costs less amount written off is $10,339.

Mortgage payable May 1, 1932, amounting to $55,000 is not included among current assets and shows a reduction of $35,000 since the last annual statement. There are outstanding 7,879 shares of preferred stock of $100 par value carried at $787,900 and 48,020 shares of $25 par value common stock carried at $1,200,500. Dividends on preferred shares have been paid or declared to September 1, 1930. Comparative income and surplus account for the past two fiscal periods is as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended

	Dec. 26 *1931 $	Aug. 30 1930 $
Net earnings	117,909	116,578
Less: Depr. on bldgs., equip. etc.	24,394	19,736
Proportion of sound equip., license & install. costs w/o ...	5,169	21,434
Prov. for inc. tax..	8,218	4,805
Net profit	79,628	70,553
Less appropriations: Pref. divds.	68,941	55,153
Surplus for year	10,687	15,400
Add: Prev. surplus .	60,398	45,419
Less: Addit. inc. tax .	2,255	....
Adjust. of prior year inc. tax res.	....	412
Bal. carried forward .	68,830	60,398

†Deficit. *For 69 weeks.

Saskatchewan Coal Output

In 1931 the production of the coal mines of the Province of Saskatchewan amounted to 635,407 tons as against 577,939 tons for the similar period during the previous year. This is the largest production recorded in the history of coal mining in the province.

Public Utility Earnings

Southern Canada Power

	March 1932 $	March 1931 $	Incr. $
Gross	181,120	185,191	‡4,071
Exp.	63,076	72,505	‡9,429
Net	118,044	112,686	5,358
	Six Months		
Gross	1,167,410	1,215,274	‡47,864
Exps.	427,691	471,588	‡43,897
Net	739,719	743,686	‡3,967

‡ Decrease.

B. C. Power Corp.

March	1932 $	1931 $
Gross earnings	1,150,189	1,213,585
Oper. expenses	771,734	797,051
Net earnings	378,405	416,534
Int. & pfd. divs.	208,264	211,825
Bal. avail. for com.	170,141	204,709
Nine Mos. ended Mar. 31:		
Gross earnings	10,464,995	11,103,731
Oper. expenses	6,901,397	7,160,939
Net earnings	3,563,598	3,942,792
Int. & pfd. divs.	1,874,877	1,897,945
Bal. avail. for com.	1,689,221	2,044,847

British Columbia Power

March	1932 $	1931 $
Gross earnings	1,150,139	1,213,585
Expenses	771,734	797,051
Net earnings	378,405	416,534
Int. & pfd. divs.	208,264	211,825
Avail. for com.	170,141	204,709
Nine Mos. ended March 31:		
Gross earnings	10,464,995	11,103,731
Expenses	6,901,397	7,160,939
Net earnings	3,563,598	3,942,792
Int. & pfd. divs.	1,874,377	1,897,945
Avail. for com.	1,689,221	2,044,847

Week's Canadian Quotations—Continued

Winnipeg Grain Prices

Week to April 19

Crop Year from Aug. 14 High	Low		Open Apr. 13	High for week	Low for week	Close Apr. 19
		Wheat				
.76	.55½	May	.65½	.65⅝	.62½	.63¾
.77⅞	.60	July	.67½	.67½	.64⅝	.65⅝
.72¾	.62½	Oct.	.69⅜	.69⅜	.66⅞	.68
		Oats				
.38	.28	May	.32¾	.33⅞	.32	.33
.37½	.30½	July	.32⅞	.33⅝	.32⅝	.33½
.35⅝	.32⅛	Oct.	.34	.35½	.33¾	.35½
		Barley				
.47¾	.32½	May	.42½	.42½	.41⅜	.42½
.45½	.38½	July	.42⅛	.42½	.41½	.42⅝
.43½	.38½	Oct.	.40⅜	.40⅞	.39⅜	.40½
		Flax				
1.21	.97½	May	1.02¾	1.02¾	.99¼	.99½
1.16½	.99	July	1.05	1.05	1.01½	1.01½
1.09¾	1.02½	Oct.	1.07½	1.07½	1.04¼	1.04¾

Crop Year from Aug. 14 High	Low		Open Apr. 13	High for week	Low for week	Close Apr. 19
		Rye				
.59⅛	.32½	May	.48⅞	.49	.46⅜	.47½
.59	.43⅜	July	.50½	.50½	.48	.48¾
.55⅞	.48	Oct.	.51¾	.51¾	.49⅜	.50½

Canadian Bonded Grain in U. S.

Quotations on New York Produce Exchange, Basis Buffalo

Week to April 19

High *to date	Low		Close Apr. 12	High for week	Low for week	Close Apr. 19
		Wheat				
.72	.53⅜	May	.61	.60⅝	.58⅝	.60
.64½	.58⅝	July	.63	.62¾	.60½	.62
.66½	.59	Oct.	.65	.65½	.63½	.64

*Since trading opened March 3, 1931.

Mining Stock Quotations

Week Ending April 18.

Par Val.	Range 1932 High	Low	Company	Sales	Close April 11 (or last)	High for week	Low for week	Close April 18
1	.05¾	.04	Abana	1,000	.05	.04½	.04½	.04½
1	.02	.00½	Aconda	1,000	.01	.00½	.00½	.00½
No	.15	.15	Aldermac	......	.15	.....	.....	.....
1	.09	.01½	Alexandria	60,000	.02	.02	.01½	.01½
1	.01½	.00½	Algonquin	89,500	.00½	.01	.00½	.00½
1	.01	.00½	Amity C.	......	.00½	.....	.....	.....
No	.22	.10	Amulet	4,000	.10	.10½	.10½	.10½
1	.00½	.00½	Apex	1,000	.00½	.00½	.00½	.00½
1	.02¼	.01	Area	10,000	.02	.01¾	.01¾	.01¾
No	.03	.01½	Arno	12,500	.02	.02	.01¾	.01¾
1	.02¾	.02	Astoria Rouyn	......	.02¾	.....	.....	.....
1	.07	.03½	Bagamac	12,200	.04	.04	.03½	.04
1	.00¾	.00½	Baldwin	......	.00½	.....	.....	.....
1	.12	.06	Barry Holl. new	11,100	.06½	.07	.06½	.06½
No	1.00	.75	Base Metals	......	.80	.....	.....	.....
No	.12	.04	Bidgood	148,600	.05½	.06½	.04	.05½
1	.16½	.05	Big Missouri	18,000	.07	.08	.05	.05½
1	.05½	.02½	Bobjo	10,600	.04	.04	.03	.03½
1	.08	.06	Brett Trethewey	1,150	.06	.06	.06	.06
No	.03	.01½	Brownlee	16,500	.02	.01½	.01½	.01½
1	.00½	.00½	Buckingham	......	.00½	.....	.....	.....
No	.36	.22½	Buffalo Can.	43,700	.34	.34	.30	.32½
No	.02½	.01	Bunker Hill	......	.01	.....	.....	.....
5s	.50	.10	B'Wana McKubwa	10	.50	.10	.10	.10
No	.01	.00½	Cal. Flin Flon	......	.01	.....	.....	.....
No	.03	.02	Canam Metals	......	.02	.....	.....	.....
1	.04	.01½	Can. Kirkland	......	.04	.....	.....	.....
1	.09	.02	Canusa	400	.03½	.02	.02	.02
No	.02½	.00½	Capital Rouyn	8,500	.00½	.00½	.00½	.00½
1	.06	.02½	Cartier Malartic	500	.06	.06	.06	.06
1	.15	.12	Castle Trethewey	1,800	.12½	.12½	.12	.12
1	.08	.05	Cen. Manitoba	3,000	.05½	.06	.05½	.06
1	.07½	.04	Cen. Patricia	......	.05	.....	.....	.....
No	.07½	.03½	Chibougamau Pros.	2,500	.04	.04	.03½	.03½
No	.02	.01	Clericy	11,000	.02	.01½	.01½	.01½
5	3.00	1.00	Coast Copper	1,205	1.25	1.00	1.00	1.00
1	.02	.01	Cobalt Contact	7,000	.01½	.01	.01	.01
No	.16	.15	Cobuc	......	.15½	.....	.....	.....
1	.08	.05	Columario	500	.05	.05	.05	.05
5	.80	.75	Coniagas	......	.80	.....	.....	.....
No	.40	.28	Coniaurum	500	.28	.28	.28	.28
25	75.00	35.00	Cons. Smelters	1,680	40.00	41.00	35.00	40.00
1	.01½	.01½	Crown Reserve	......	.01½	.....	.....	.....
No	12.50	9.00	Dome Mines	12,690	9.80	10.00	9.00	9.10
No	.10	.04½	Dom. Explorers	16,000	.05½	.05½	.04½	.04½
1	.01	.01	Don Rouyn	......	.01	.....	.....	.....
1	1.55	1.05	Eldorado	43,515	1.30	1.35	1.07	1.08
No	1.05	.60	Falconbridge	810	.75	.70	.60	.70
1	.04	.02	Federal	2,000	.02½	.03	.02½	.02½
No	.00½	.00½	Flintoba	......	.00½	.....	.....	.....
No	.07	.01½	Gem. Lake	19,200	.01½	.02	.01½	.01½
1	.02½	.01½	Goldale	......	.01½	.....	.....	.....
10	.11	.10	Goldfield	......	.10	.....	.....	.....
1	.00½	.00½	Gold Hill	......	.00½	.....	.....	.....
1	.04	.02½	Goodfish	1,000	.03	.03½	.03½	.03½
1	.01	.00½	Graham	......	.00½	.....	.....	.....
1	1.25	.75	Granada	6,875	.80	.80	.75	.75
1	.22	.09	Grozelle	......	.15	.....	.....	.....
1	.02½	.01½	Harker	8,000	.01½	.01½	.01½	.01½
1	.01½	.00½	Hilltop	5,000	.00½	.00½	.00½	.00½
5	5.70	4.45	Hollinger	90,131	4.80	4.80	4.45	4.50
1	.36	.30	Howey Gold	14,075	.31	.31½	.31	.31
No	2.78	1.75	Hudson Bay	910	1.85	1.85	1.75	1.75
No	.20	.15	Huronian	......	.15	.....	.....	.....
No	11.00	6.00	Int. Nickel	18,477	6.25	7.00	6.25	6.78
1	.01½	.00½	Jackson Manion	......	.01½	.....	.....	.....
1	.23	.15	Keeley	625	.22	.21½	.20	.21½
1	.02½	.01	Keora Mines	3,000	.01	.01½	.01	.01
1	.70	.40	Kirk. Hud. Bay	3,400	.60	.57½	.51	.51
1	.02½	.00¾	Kirk. Hunton	......	.01	.....	.....	.....
1	.55	.32	Kirkland Lake	15,100	.36½	.37	.32	.35
1	.03½	.01	Kirk. Premier	14,200	.01½	.01½	.01	.01½
1	.13	.07½	Kirk. Townsite	3,700	.08	.08	.07½	.08
20c	.01½	.00½	Koot. Florence	......	.00½	.....	.....	.....
1	.01½	.00½	La Rose	......	.01½	.....	.....	.....
1	.41	.14	Lakeland	......	.40	.....	.....	.....
1	29.50	25.90	Lake Shore	4,656	27.70	27.65	25.90	26.25
1	.00½	.00½	Laval	......	.00½	.....	.....	.....
1	.06½	.01½	Lebel Oro	500	.03	.03	.03	.03
1	.41	.27	Macassa	21,700	.34	.31	.27	.30
1	.07	.02½	Malartic	12,000	.04	.04½	.03	.04
No	.06	.04	Mandy	500	.05	.04	.04	.04
No	.01½	.00½	Manitoba Basin	......	.00½	.....	.....	.....
5	19.50	15.85	McIntyre	1,245	16.25	16.50	15.85	16.50
1	.35	.25	McKinley	......	.32	.....	.....	.....
No	.09½	.03½	McLeod River	157,700	.06½	.06½	.04	.04
No	1.43	.80	Mining Corp.	13,150	.92	.95	.80	.80
1	.08½	.01½	Moffatt Hall	40,300	.02	.02	.01½	.02
1	.02½	.02½	Moneta	......	.02½	.....	.....	.....
1	.45	.30	Moss	4,825	.36	.37	.31½	.32
1	.02½	.01	Murphy	14,500	.01½	.01½	.01	.01
No	.03	.01	Newbec	......	.01½	.....	.....	.....
5	1.15	.70	Nipissing	500	.76	.80	.70	.80
No	19.80	15.00	Noranda	24,219	16.10	16.60	15.00	16.15
No	.24	.17	Nor. Canada	......	.20	.....	.....	.....
No	.01	.00½	Old Colony	......	.00½	.....	.....	.....
1	.08	.05	Osisko	2,000	.06½	.05	.05	.05
1	.08	.08	Parkhill	......	.08	.....	.....	.....
1	.13½	.11	Patricia Dent	......	.13	.....	.....	.....
1	.02	.01½	Pawnee Kirk	......	.01½	.....	.....	.....
No	1.15	.65	Pend Oreille	1,250	.75	.70	.65	.65
1	.01	.00½	Peterson Cobalt	......	.00½	.....	.....	.....
1	4.10	3.10	Pioneer Gold B.C.	3,900	3.75	3.75	3.50	3.50
1	.05	.04	Pioneer	......	.04	.....	.....	.....
1	.00½	.00½	Porcupine Crown	......	.00½	.....	.....	.....
1	.02	.01	Potter Doal	......	.01½	.....	.....	.....
1	.63	.39	Premier Gold	3,200	.46	.45	.41	.41½
1	.00⅞	.00⅞	Preston E. Dome	......	.00⅞	.....	.....	.....
No	.30	.15	Prospectors Air's	1,000	.25	.25	.21	.21
No	1.00	1.00	Quebec Pros.	......	1.00	.....	.....	.....
No	.06	.04	Quemont	1,500	.05	.05	.05	.05
1	.02½	.01	Ribago	18,500	.01½	.01½	.01	.01
1	.02½	.01	Ritchie	8,000	.01½	.01½	.01½	.01½
1	.01½	.00⅞	Robb Montbray	......	.01½	.....	.....	.....
No	.42	.25	San Antonio	1,999	.36	.38	.32	.32
1	.09	.09	Seven Troughs	......	.09	.....	.....	.....
1	.65	.34	Sherritt Gordon	10,890	.40	.40½	.34	.37
1	.70	.50	Siscoe	58,125	.60½	.60½	.56	.60½
1	.03	.01½	South Keora	1,500	.01½	.01½	.01½	.01½
No	.02½	.01	Stadacona	3,500	.01	.01½	.01	.01
1	.17	.07	St. Anthony	1,100	.09	.07½	.07	.07½
No	.45	.20	Sudbury Basin	400	.25	.24	.20	.23
1	.01½	.00½	Sudbury Contact	......	.01½	.....	.....	.....
1	.01	.00½	Sudbury Mines	......	.00½	.....	.....	.....
1	.12	.09	Sullivan	5,500	.10	.10	.09	.09
1	.65	.42	Sylvanite	15,550	.50	.49	.42	.45
1	.07	.02½	Tashota	11,500	.02½	.02½	.02½	.02½
1	5.25	3.80	Teck Hughes	38,298	4.25	4.50	3.80	3.80
1	.03½	.02	Thom. Cadillac	......	.02½	.....	.....	.....
1	.40	.20	Towagmac	500	.20	.20	.20	.20
1	3.00	1.01	Treadwell	300	2.25	2.37	2.25	2.25
1	.09½	.05	United Kirk	1,500	.07	.05	.05	.05
1	.01½	.01	Vacuum Gas	......	.01	.....	.....	.....
No	.53	.32	Ventures	20,975	.40	.39	.32	.33
1	.17½	.04	Vickers	500	.09½	.10	.10	.10
1	.45	.30	Vipond	8,100	.31	.31	.30	.30½
No	1.00	.30	Waite Ackerman	600	.40	.40	.30	.30
1	.07	.03	White Lake	3,500	.03½	.03½	.03½	.03½
1	.01	.01	Wiltsey Coughlan	......	.01	.....	.....	.....
No	3.06	2.22	Wright-Hargreaves	34,415	2.41	2.44	2.22	2.25
			OIL STOCKS					
No	.19	.12½	Acme	23,850	.13½	.14	.12½	.12½
1	1.17	.70	Ajax	12,750	.80	.80	.70	.75
1	.12	.05	Alta. Pacific	550	.07	.06½	.05	.05
1	.03½	.02	Askalta	......	.03	.....	.....	.....
No	.10	.04½	Associated	1,000	.05	.05	.05	.05
No	.04	.02	Baltac	......	.02	.....	.....	.....
	.05½	.00½	Benton	4,000	.00½	.00½	.00½	.00½
1	.06	.02½	Brit. Dominion	700	.03	.03	.02½	.02½
1	.09	.04	Calmont	1,700	.05	.05	.04	.04
No	.38	.18	Calgary & Ed.	700	.18	.22	.20	.20
1	.11	.05	Commercial Pete.	......	.05	.....	.....	.....
No	.20	.11	Dalhousie	500	.11	.12	.12	.12
No	.02	.00½	Dome Oil	......	.00½	.....	.....	.....
No	.12½	.04	East Crest	1,031	.09½	.09	.06	.06½
No	.01½	.01½	Fabyan Pete	......	.01½	.....	.....	.....
No	.10	.07	Foothills	......	.10	.....	.....	.....
No	.03½	.02	Freehold	500	.02½	.02	.02	.02
1	.02	.00½	Great West	......	.00½	.....	.....	.....
No	.06½	.04	Hargal	......	.04	.....	.....	.....
No	.05	.02½	High Sarcee	1,500	.03	.02½	.02½	.02½
No	.47	.17	Home	50	.20	.20	.17	.20
No	.05	.02	Homestead	100	.03	.02½	.02½	.02½
1	.50	.23	Homest'd O. & G.	900	.30	.30	.30	.30
1	.01	.00½	Illinois Alberta	......	.00½	.....	.....	.....
No	.02½	.00½	Lethbridge	4,000	.00½	.00½	.00½	.00½
1	.02	.00½	Madison	1,000	.00½	.00½	.00½	.00½
1	.15	.07	Mayland	2,300	.10	.08½	.07	.07
No	.04	.01½	McD. Segur Ex.	400	.01½	.01½	.01½	.01½
1	.04½	.03½	McD. Segur New	......	.03½	.....	.....	.....
1	.50	.22	McLeod	50	.32	.25½	.25½	.25½
No	.10½	.07½	Mercury	26,500	.07½	.07½	.07½	.07½
No	.08	.05	Merland	5,700	.06	.06	.06	.06
No	.15	.08½	Mill City Pete	589	.09	.08½	.08½	.08½
1	.20	.13	Model	1,500	.16	.15	.13	.15
1	.05	.04	Monalta	500	.05	.05	.05	.05
1	.07	.03	Moose Mountain	88	.04	.03	.08	.03
1	.01	.01	New Federal	......	.01	.....	.....	.....
5	.14	.04	Nordon	8,100	.05	.06	.04	.04
No	.04½	.02½	Oil Selection	11,000	.04	.04	.02½	.02½
No	.05	.02½	Okalta	......	.02½	.....	.....	.....
100	15.00	15.00	Do., Pref.	......	15.00	.....	.....	.....
No	.20	.12	Olga Gas & Oil	1,600	.15	.13½	.13	.13
No	.06½	.02	Penn. Pete.	42,000	.03	.03½	.02	.02½
1	.28	.15	Petrol Oil & Gas	3,000	.15	.15	.15	.15
No	.14	.08	Ranchmen's	200	.08	.09	.09	.09
1	.01	.00½	Regent	1,000	.00½	.01	.01	.01
No	.02½	.01	Richfield	500	.02	.01	.01	.01
No	6.65	4.50	Royalite	445	5.00	4.90	4.50	4.75
1	.12	.05	Sarnia Oil	......	.10	.....	.....	.....
1	.03	.01½	Signal Hill	......	.01½	.....	.....	.....
1	.20	.17	Spooner	130	.18	.18½	.18	.18½
No	.11	.06	Sterling Pacific	1,000	.07	.06½	.06½	.06½
1	.11	.07½	Turner Valley	......	.07½	.....	.....	.....
No	.08	.04	United	350	.04½	.05	.04½	.04½
1	.09½	.08	Vulcan	......	.08	.....	.....	.....
No	.02	.00½	Wainwell	......	.00½	.....	.....	.....
			VANCOUVER STOCK EXCHANGE (Transaction for Week to April 13)					
25c	.00½	.00½	Bayview	......	.00½	.....	.....	.....
20c	.05	.03½	Beaver Silver	4,000	.04	.04½	.03½	.03½
25c	.02½	.01	Bluebird	......	.01½	.....	.....	.....
1	.12½	.06½	Bridge River Cons.	140,000	.09½	.11½	.09½	.09½
25c	.01½	.01½	Cork Province	......	.01½	.....	.....	.....
1	.13	.06	Cotton Belt	......	.09	.....	.....	.....
1	.45	.25	George Copper	500	.25	.25	.25	.25
50c	.01½	.01½	Geo. Enterprise	......	.01½	.....	.....	.....
1	.04½	.02½	Georgia River	3,000	.03	.03	.03	.03
1	.24	.16	Golconda	1,000	.20	.16	.16	.16
50c	.08	.03	Grandview	1,600	.03	.03½	.03	.03
25c	5.25	5.25	Hecla Mining	......	5.25	.....	.....	.....
1	.01	.01	Independence	......	.01	.....	.....	.....
1	.01	.01	Indian Mines	......	.01	.....	.....	.....
1	.11½	.09	Inter. Coal	2,250	.11½	.11	.10	.11
1	.21	.21	Jack Waite	......	.21	.....	.....	.....
25c	.00½	.00½	Kootenay King	......	.00½	.....	.....	.....
1	.19½	.13	Lorne Gold	86,550	.15½	.17	.14½	.16
10c	.02	.01	Lucky Jim	......	.01	.....	.....	.....
5c	.12	.05½	Metaline Metals	500	.08	.05½	.05½	.05½
1	.03	.00½	Morton Woolsey	......	.00½	.....	.....	.....
50c	.03	.01½	National Silver	16,000	.01½	.01½	.01½	.01½
50c	.08½	.03	Noble Five	......	.03½	.....	.....	.....
50c	.01	.00½	Oregon Copper	1,000	.00½	.00½	.00½	.00½
1	4.11	3.30	Pioneer Gold	2,660	3.80	3.85	3.75	3.75
50c	.08½	.05	Porter Idaho	1,000	.05	.05	.05	.05
No	.01	.00½	Premier Border	4,500	.00⅝	.00½	.00½	.00½
No	.28	.15	Reeves McDonald	900	.18	.15	.15	.15
1	.52	.21½	Reno Gold	38,550	.50½	.52	.43	.46
1	.05	.04	Ruth Hope	......	.04	.....	.....	.....
1	.03½	.02½	Silverado	......	.03½	.....	.....	.....
25c	.02	.01½	Silver Crest	......	.01½	.....	.....	.....
50c	.01½	.00½	Snowflake	6,300	.00½	.00½	.00½	.00½
20c	.02½	.01	Wellington	......	.01	.....	.....	.....
1	.04	.04	Whitewater	......	.04	.....	.....	.....
No	.00⅞	.00½	Woodbine	17,000	.00½	.00½	.00½	.00½

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Ajax Oil	3c.	....	Noranda	50c.	3.09
Cons. Smelters	$2.50×a	6.25	Premier	12c.	....
Dome Mines	$1	10.98	Pioneer, B.C.	12c.	3.42
Hollinger	65c.	14.44	Royalite	50c.	....
Howe Sound	$1	....	Siscoe	4c.	....
Lake Shore	$2×50c.	9.52	Sylvanite	4c.	....
McIntyre	$1	6.06	Teck Hughes	60c.	15.78
McLeod Oils	5c.	....	Wright-Har.	10×2½c.	5.55

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Canadian Mining News

OUTLOOK BETTER FOR METAL PRICES SAYS J. J. WARREN

Optimistic Note Sounded at Annual Meeting of Smelters

UNSOLD STOCKS LOW

Fertilizer Production is Progressing Favorably With Sales Giving Satisfaction

It does not seem possible that there can be further declines in metal prices, J. J. Warren, president of Consolidated Mining & Smelting Co., told shareholders at the annual meeting in Montreal on April 15.

Production figures were given which indicate that the output is being carried on comparable with that during the last quarter of 1931.

The following is a comparison of the first three months of 1932 with the last quarter of 1931:

	1932 1st quar.	1931 4th quar.
Lead tons	31,870	32,430
Zinc tons	17,132	19,079
Copper tons	217	109
Gold ozs.	6,743	6,445
Silver ozs.	1,501,483	1,469,375

In commenting on the present situation, Mr. Warren made the following observations in part:

"Mining and metallurgical operations proceeded as usual during the first quarter of the year. The sulphuric acid and ammonia sulphate departments of the fertilizer plants worked smoothly and satisfactorily. There was marked improvement in the operations of the phosphate department.

"Unsold lead increased somewhat during the quarter. Unsold zinc, however, decreased; the increased stock of both metals—less than 5,000 tons—is not unusual for this time of year. Fertilizer production was well maintained. Sales have been satisfactory. Very favorable comments have been received from customers on the quality of the product.

"The exploration and development of your Great Bear Lake properties have begun. In addition to the locations referred to in the annual report, approximately 1,200 acres of coal land have been staked, which should prove very valuable if the expected results from mineral development be realized. While metal prices have not appreciated, and general conditions are not much better, your directors feel that a change is overdue, and may set in at any time.

"The tariff changes in Great Britain have unsettled, temporarily, the metal situation—particularly as to lead and zinc. Quite large stocks of these metals were exported to England by foreigners in anticipation of the application of a tariff. These will have to be absorbed before the full benefit of the tariff will be felt by Empire producers. Your mines and plants are in excellent condition. Everything is in readiness to take advantage of any improvement which may come from increased world consumption or decreased metal production by others, or both.

"A very slight increase in the price per pound affects your profits very materially. It does not seem possible that there can be any further decline in metal prices."

The meeting was largely routine in nature, the five retiring directors being re-elected for the ensuing year.

DOME DECLARES HIGHER DIVIDEND EARNINGS GAIN

Property Never Looked Better, Opinion of Engineer, Sell Says N.Y.

At a meeting of directors of Dome Mines held in New York on April 19, it was decided to pay a bonus of 20 cents per share with the regular quarterly dividend of 25 cents per share payable on July 20 next. The extra disbursement is being made, it was explained, owing to the increased earnings due to the premium on gold production.

The increase in the dividend came as a surprise as J. S. Bache, president of the company has been opposed to a higher dividend until such time as the earned surplus of the company had been built up to an equivalent of $10 per share.

At the mine it is known that developments are in a healthy state with the estimated ore reserves at higher levels than reported in many years, while the prospects for finding ore are steadily increasing. The official estimate of ore reserves is given at 1,920,000 tons, but having regard for the conservative nature of the management it is believed by well informed engineers that the indicated ore reserves could be safely taken as double this figure. This in part, is made possible by including ore formerly not considered commercial owing to reduced costs and improved metallurgical facilities. Tailings during the past year are known to have been relatively high but early this year a decided improvement was made and it is understood that further improvements are in store.

An amusing incident, appearing the morning the dividend was announced, was the advice, by a leading New York statistical firm, to liquidate Dome holdings.

Quarterly Earnings Gain

The quarterly statement of Dome Mines for the three months ended March 31, shows a bullion recovery of $965,955 as compared with $831,636 for the quarter ended December 31, last.

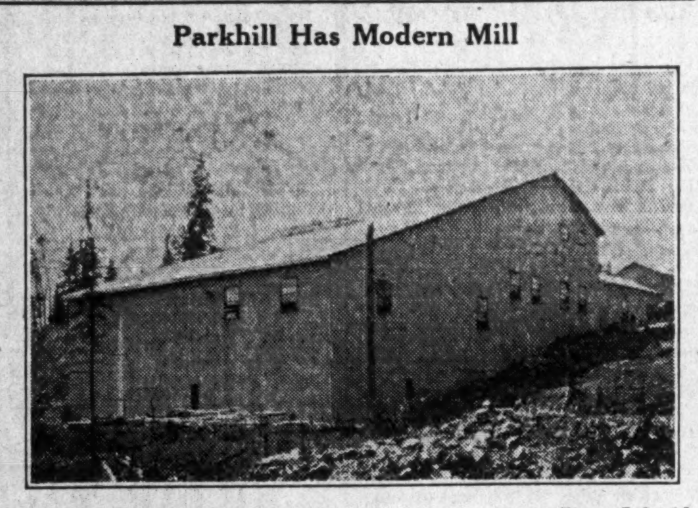
The mill treated 133,450 tons as compared with 136,250 tons in the previous quarter while the average recovery was $7.17 as compared with $6.42 in the previous quarter

The net operating profit for the last quarter was $389,887 after provision for taxes of $62,321. This compares with an operating profit of $300,137 in the last quarter of 1930. Non-operating revenue in the last quarter totalled $139,140 making the total earnings before write-offs of $529,028.

Halifax Imports Slightly Lower

From the beginning of the year to March 4th imports at the Port of Halifax amounted to 60,570 tons compared with 74,874 tons in the similar period of 1931, while exports amounted to 117,642 tons as compared with 93,420 tons in 1931.

Parkhill Has Modern Mill



Parkhill Gold Mines completed a 50-ton daily capacity mill on July 10, 1932, which has been in steady production since. This makes two profitable gold-producing properties in the Michipicoten area of Ontario, both started in 1931.

Nationalize Radium Finds In Great Bear Lake Area Proposal of Senator McRae

Would Have Federal Government Take Over and Finance Radium Enterprise Out of Public Till in Interests of Humanity

WOULD LET GOV'T HOLD ANOTHER BAG

Great Bear Lake Radium Can't Be Big Mining Enterprise—Only Foolish Prospector Would Now Search For Radium Ore, Says Senator

The first manifestation of communism, in so far as Canadian mineral resources are concerned, was the proposal made in the Senate Chamber, Ottawa, on April 14, by General A. D. McRae, senator from Vancouver, to nationalize the radium ore resources of the Great Bear Lake area for suffering humanity. The proposal of Senator McRae amounts to the confiscation of the radium ore resources of the area and the entry of the Federal Government into the development, production and marketing of the element, all financed out of the public till.

"It is absurd," was Senator McRae's comment, "to consider the production of radium from pitchblende ore in the Great Bear Lake area as a mining industry employing any large number of men." The silver deposit of the district he described as phenomenal, but as the pitchblende is generally associated with the silver it is possible that when mining is well under way more pitchblende will be produced in connection with the mining of silver than the world requires. Senator McRae further commented that he would be a very foolish prospector, indeed, who would now go into Great Bear Lake district in search of more pitchblende.

Proposes Commission

Senator McRae proposes that a Canadian radium commission be appointed to recommend to the next session of Parliament the best method of control, in order that suffering humanity might receive a great boon from the ample supply of radium at moderate cost.

The Belgian radium trust, Senator McRae contends, is producing a scarcity of radium at high prices because of the dominating position it holds. It is the senator's proposal that the Government could well consider reserving all the pitchblende area from further stakings and compensate in a generous manner people who have already staked claims. This, he contended, would not interfere in the least with the mineral development of the Northwest Territories.

Senator McRae's proposal is not willing to let market prices of radium be determined by the working of supply and demand. Some mining men feel that competition and development by many in the exploration, production and marketing of radium ore or other commodities, are the most effective weapons combating high prices and that flooding the market with radium by unrestricted private enterprise would have the effect of bringing the price of the commodity down, better than by Government monopoly.

No engineer who has examined the finds made will commit himself as to the magnitude of either the radium ore or silver potentialities. Reliable sources of information have freely expressed the view that the finds made represent the greatest showing of radium ore on the continent. But there are no reliable estimates of definite tonnages or values in either radium or silver at the present stage of development.

Dr. H. S. Kidd, geologist of the Department of Mines, Ottawa, last year following a visit to the property made an estimate of the actual available tonnage in the No. 1 and No. 2 veins and expressed a view that it would yield several thousands of tons at least of high-grade pitchblende. Underground exploration he believed would probably materially increase the amount and expressed the opinion that beyond any question, the pitchblende deposits at LaBine Point constitute a very valuable source of radium.

With ore averaging 40 per cent uranium oxide it becomes evident, as Senator McRae points out, that a very limited tonnage would take care of the immediate market requirements at current prices. Therefore, huge tonnages of pitchblende ore are not the vital factor in the situation, but markets that will take the potential production.

Mining men fear that Government interference would have the inevitable effect of curbing the activities of the real interested parties in mining who are at present engaged in the exploration and the development of the new area.

Attention is also called to what is being done in the Wilberforce area of Ontario. Here two properties are being developed—one has actually produced radium ore concentrates, and the other is laying plans for production by fall.

The Department of Mines is quoted as estimating that radium can be produced from Great Bear given for by-products. He also has quoted a United States source of information to the effect that the probable cost of Belgian radium was less than $10,000 per gram.

The Belgian producers have not disclosed their cost of manufacture and there is very little reliable information available today on which to base costs. It will remain for commercial production to establish what costs will be.

The first commercial treatment of radium ore was started in the United States in 1914 and continued until 1925 when the increasing output in the Belgian Congo forced operations to suspend. The cost of producing a gram of radium from the low-grade United States ore was about $42,000 exclusive of the cost of the ore. The Belgian Trust which is in for much condemnation, dropped the price gradually until it is currently selling wholesale at $50,000 per gram.

Small Quantity in Use

In Europe, according to Senator McRae's figures, there are 35 grams in use, while in New York and Philadelphia there is about one-half this amount.

The Ontario Radium Commission estimates its immediate Canadian requirements at 16 grams, while other estimates show a minimum additional requirement of 100 grams in the United States and 40 grams in Great Britain.

The United States Department of Mines reports the world production of radium as 575 grams, up to 1928, 250 of which were produced in the United States, 245 in Belgium, and 45 grams in Czechoslovakia. The production in 1928 and following years is unknown, but is regarded as being in the neighborhood of 50 to 60 grams annually, since the Belgians are known to have increased their plant facilities to this capacity in 1929. This would make the total radium produced in the world to the end of last year approximately 750 grams. It is further estimated that approximately one-half of the production has been utilized for medicinal purposes and the balance as an essential component for luminous paint.

Objects to Market Price

Exception is taken by Senator McRae to interpreting the values of Great Bear Lake radium in terms of the Belgian price of $50,000 per annum and he expresses surprise that anyone in Canada is making calculations on such a basis. He comments that it is unthinkable we should allow pitchblende deposits of Great Bear Lake to be developed on a basis which will enable Canadians to join with the Belgians as exploiters of suffering humanity.

To try at this juncture to assess the price for radium other than as it is controlled by supply and demand is regarded by interested parties as a mistake. They maintain that prospectors and pioneers who risk their all in the exploration of the area and later finance developments with their own funds, have a right to continue their programme for production and let supply and demand govern the market value of their products, without government interference.

Senator McRae explains that intensive educational work is imperative to create a demand, preceding a wider distribution of radium.

The real problem in radium production today is the creation of markets, either by reducing prices that will popularize its demand for medicinal purposes or develop other markets. In connection with the latter it is regarded as quite probable that if it is possible to reduce costs and there is an adequate reserve of ore science will find new uses.

The abundance of ore at Great Bear Lake may have an important bearing on the attitude of the Belgians with respect to price, since with their controlling the only known source of radium ore of importance, they might start a price war.

Small Tonnage Suffices

Assuming a demand of 60 grams of radium annually—approximately the facilities of Belgian Trust—a very limited tonnage of ore would meet the requirements.

The samples of radium ore from Great Bear Lake, taken by the Government engineers last year, assayed from 30½ per cent to 62 per cent uranium oxide, or an average of approximately 46.42 per cent. Assuming an average of 40 per cent uranium oxide, a figure purely arbitrary until the average values at Great Bear Lake are established, 10 tons of ore would make one gram of radium. In other words, as General McRae observed, 600 tons, or approximately 12 modern gondola railway cars, will equal the present annual world production, while a 50-ton carload of ore a day would provide, on the same basis, an annual production of over 1,800 grams of radium — more than twice the world's production since its discovery by Madame Curie in Paris in 1898.

Assuming that the radium ore resources of Great Bear Lake live up to the anticipation of every one interested in mining, it cannot be denied that the economical aspect of the situation presents problems at the present time. These problems will first have to be solved by research for the economical extraction of the element and later by research in the expansion of its market. The question of whether private enterprise or Government intervention is the most beneficial to the suffering humanity that Senator McRae tells about is the controversial subject. The citizens of Canada have witnessed some glaring examples of what can be expected when governments interfere with industry. A high percentage of the present taxation at the present time is traceable to government intervention in railway, steamship, and other lines of effort in which just as glowing accounts of service of relief to the suffering public were painted.

PARKHILL MINES SHOWING PROFIT OUTLOOK BETTER

Young Gold Producer is Attracting Attention as Work Progresses

Parkhill Gold Mines has established an enviable record since shaft-sinking operations were started on its property 5½ miles southeast from Wawa Station, in Michipicoten area Ontario, in May of 1930. Fourteen months after the shaft was started a 50-ton mill was placed into operation and an increase is planned just as soon as the lowest or fourth level is satisfactorily opened up.

There is a definite break on the surface over a mile in length across the property and the principal vein on the property has been traced for some 2,800 ft. with high but erratic gold assays occurring in quartz lenses.

A two-compartment incline shaft has been sunk and four levels opened up at intervals of approximately 125 ft. The two main veins known as No. 1 and 2 showed on the surface and were encountered in a crosscut from the fourth level completed last month, the No. 2 vein being the more consistent and carrying values from the surface down to the fourth level. On the second level the vein has averaged about six inches in width and on the third level over 14 inches, while car samples from stoping operations on the second level to the surface, averaged about $16 per ton. The third level assayed over $23 per ton. On the fourth level, this vein as opened up, showed increased length, width and richness over the third level. Drifting on the second level confirmed ore over a length of 300 ft. east of the shaft while the drifts on the third and fourth levels have not yet progressed that far.

No. 1 Vein in Good Ore

The No. 1 vein has been picked up on the fourth level. What was designated as the No. 1 vein on the first and second levels gave a good grade of ore in several stopes and on the first level east of the crosscut and in two stopes east and one west on the second level. On the third level what was originally thought to be the same vein produced a grade of ore averaging $22.60 per ton from ore stoped over a length of 370 ft. east and west of the crosscut. The richest ore was found just above the drifts giving tonnage values in car sampling from $55.10 to $5.59 per ton with the richest ore in the floor of the drift. As the stopes were carried up, the values diminished until the veins folded and pinched out entirely. One section stoped from the third to the second level disclosed the fact that this vein on its upward extension was 22 ft. south of the ore body on the second level and the assumption is that it is probably a new vein not shown on the second level, which apexes between the first and second levels. Crosscutting is planned to determine the structure. On the third level the No. 1 vein produced some very spectacular ore showing an abundance of coarse free gold over a length of 70 ft., and it has now been drifted on, on the fourth level, and indications show a decided improvement over the third level.

To Open New Levels

The dips of the Nos. 1 and 2 veins indicate that they will come together at a depth of about 600 ft. or just above the 5th level. It is the intention to explore these veins at depth and then open up the mine extensively east and west by drifting north and south from the crosscut.

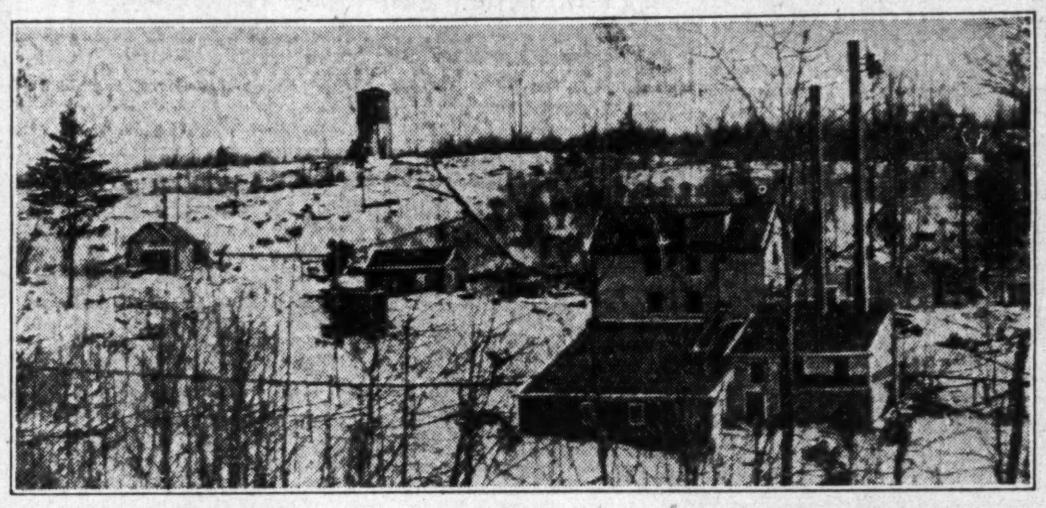
The 50-ton mill powered by electric power from the Algoma District Power Corp., was put into regular operation on July 10 last. From that date to December 31. 1931, government reports showed a production of 9,082 tons of ore treated, from which a recovery of $68,811 in gold was made or an average of $7.75 per ton. In addition, there is the gold that is locked up in the mill's circuit, characteristic of all new milling operations.

At the present time the mill is handling a little better than 50 tons daily and the average value of the ore treated in March was $13.65 per ton.

Recovery of gold since inauguration of operations has practically carried all operating and development costs with the exception of shaft sinking. The gold recovery to date represents about 25 per cent of the total expenditure by the company on the property, including plants, buildings and equipment.

The present company was incorporated in 1929 with an authorized capitalization of $3,000,000 and is headed by Sir Thomas Tait, of Montreal. A. R. Lawrence, formerly of Howey Gold Mines, is the engineer in charge of operations.

Canada's First Radium Ore Concentrator



Early in April the new concentrator of the International Radium & Resources Co. went into preliminary operation. The plant is treating approximately 35 tons of ore daily, producing concentrates high in uranium oxide which will be shipped for treatment temporarily. The property is about 1½ miles east of Wilberforce, Ontario.

McVITTIE GRAHAM DROPS OPTION ON ALEXANDRIA MINE

Looking For Larger Property Comment of Optioner

The option on the Alexandria Mines in the Phillips Arm section of British Columbia, acquired early in February by McVittie-Graham Mines, has been dropped.

At the time the option was taken it was agreed that about $4,000 per month would be spent for three months in an examination of the property and in conducting of further work.

McVittie-Graham officials have not commented on their dropping of the option other than to state they were looking for a developed ore body with mine-making possibilities that await only financing, while the Alexandria would obviously require more extensive development work in order to be considered of mine-making importance.

The official statement sent to shareholders of Alexandria by its president C. H. Dickie, in part is as follows:

"The ore west of the fault on the 100 ft. level where the high grade ore was encountered by our engineer, has upon further development proven disappointing. We still see no reason why the mine cannot be developed into one of the best on the coast. Your directors will endeavor to make new arrangements for the further exploration and development of your mining properties."

TREADWELL YUKON HAS LARGE DEBT

Operating Deficit in 1931 $870,499—Pascalis the Bright Spot

The financial statement of Treadwell-Yukon Co. for the year ended December 31, 1931, shows a deficit of $870,449 before reserves and depreciation charges, which total an additional $5,400,136. This compares with a deficit from operations in 1930 of $1,317,644.

The balance sheet of the company as of December 31 showed current assets of $780,980, including ore inventories of $305,657 and supplies of $368,588. Current liabilities totalled $8,995,482 including $8,644,000 in notes payable to associated companies.

Exploration work carried out at the company's Errington mine near Sudbury last year was discontinued entirely in December. In Quebec aggressive exploration was conducted on the Bussiere gold prospect in the Pascalis district. At the company's Wernecke mine in the Yukon territory operations were conducted with a net profit of $282,453 after write-offs, while at the lead-zinc property at Tybo, Nevada, a loss of $316,888 was incurred before operations were suspended in October last.

The balance of the company's holdings under option was dropped with the exception of those jointly held with Alaska Juneau Gold Mining Co. in the Taku River area, British Columbia and Alaska.

Only about 10 per cent of the outstanding capitalization is in the hands of the public, the balance being owned by Bunker Hill & Sullivan, and associated companies.

Hudson Bay Mining Not Closing Down

The company has no intention of closing down, shareholders of Hudson Bay Mining & Smelting were told at the annual meeting held April 16.

Gold production remains at about the same level as in 1931 but copper prices are 2½ cents below the average for 1931, which indicates the way income has been reduced, explained R. H. Channing, Jr., president of the company.

The meeting was routine in nature and the existing board of directors being re-elected for the ensuing year.

Canada Radium Installing Plant For Deep Work

Following the report on its property near Wilberforce, Ontario, by R. M. Treloar, Canada Radium Mines has undertaken the deep development of its property and purchased a mining plant capable of operating to a depth of 1,000 ft.

The plant being assembled at the company's property consists of a steam-driven hoise, compressor, complete equipment for sinking and development operations.

It is expected that by fall sufficient information will be available as to guide the company in its plans for constructing a small concentrator.

Financing has been arranged and shares are being sold privately to net the company 75 cents on each dollar's worth of stock sold. The company is free of indebtedness, has all of its plant paid for, and sufficient funds to carry out preliminary work planned, according to its president, K. W. Wright.

Sunloch Mines Report Work Restricted in 1931

Annual report of Sunloch Mines, controlled by Consolidated Smelters, and owning a copper prospect in the Victoria mining division of British Columbia, shows development was restricted to extending the river tunnel a short distance in ore and prospecting along the strike of the zone.

The financial statement of the company shows $4,522 expended for development in 1931, making the total expenditure to date $237,952. The company's liabilities include $61,355 owing to Consolidated Mining & Smelting. Its authorized capitalization consisting of 1,000,000 shares of $1 par is all outstanding and, in addition, there are $54,000 in 7 per cent convertible debentures, on which the accrued interest is $37,782.

The annual meeting of the company is called for April 28 in Tadanac, British Columbia.

Vipond Output Off In First Quarter

The quarterly production report of Vipond Consolidated Mines for the three months ended March 31, 1932, showed a total recovery of $120,017 from 25,604 tons of ore treated. This is equivalent to an average recovery of $4.70 per ton and a daily average of 275 tons. This compares with a recovery of $135,512 in the last quarter of 1931 and an average recovery of $5.43 per ton, also with an average recovery of $5.68 per ton throughout the year 1931.

These figures are exclusive of the premium on the gold.

Sherritt-Gordon Future Dependent Upon Copper

At the annual meeting of Sherritt-Gordon Mines held in Toronto April 19, shareholders were told that the $100,000 loan appearing in the balance sheet at December 31, 1931, had been paid off.

Halstead Lindsley, president of the company, intimated that in view of the lowest copper prices in history it was doubtful just how long the company would be able to continue operations.

The working capital, now around $750,000, would be maintained, said Mr. Lindsley.

The meeting was routine in nature and the existing board of directors was elected for the ensuing year.

MARCH OUTPUT BY PIONEER GOLD SETS NEW RECORD

Average Recovery $27.50 Per Ton, Quarterly Output Totals $204,000

From Our Own Correspondent

VANCOUVER. — Production at the Pioneer Gold Mines, Bridge River district, British Columbia, amounted to $93,000 during March, from 3,387 tons of ore treated, according to officials of the company. This is a record for the company and is an average recovery of $27.50 per ton. For the first three months of 1932 value of the production has been $204,000.

The work of increasing the pioneer mill to its new capacity of 300 tons daily has been running ahead of schedule. The mill is expected to be ready for operation some time this summer instead of in November, as had previously been planned.

The high output of March as compared with the two previous months is accounted for by power shortage, repairs and additions to the plant, freezing of pipes and unfavorable weather that prevented the use of considerable water power early in the year. This condition was overcome last month, with the result that the output rose to a new high. The plant is now running at full capacity.

The new Pioneer shaft is down 1,475 ft., according to David Sloan, managing director. Stations have been cut at the 1,250 and 1,375 ft. levels. A crosscut from the 200-ft. level cut the new vein encountered in the shaft near the surface, with from 18 to 20 inches of good ore and the crosscut at the 500 ft. level cut a small vein near the footwall. In both cases the grade of ore was excellent and is a valuable addition to the vein upon which work is proceeding, according to Mr. Sloan.

C.P.R. Has Increased Its Smelters Holdings

A recent statement in the press in Toronto intimated that the reason shares of Consolidated Mining & Smelting were selling at low levels was that the Canadian Pacific Railway and other large shareholders were liquidating the stock bonus received.

Had this been the case it would have been expected that the weakness in the market would have occurred shortly after the stock disbursement was made. As a matter of fact the last stock dividend was paid on January 15, while the market sagged to its low for the current year of $35 per share on April 12. The inference that C. P. R. is selling likewise is not established by fact—the reverse being indicated. On December 31, 1930, C. P. R. owned 275,176 shares of Smelters. Stock dividends during 1931 amounted to 13,758 shares on this holding and at the end of 1931 C. P. R. owned 291,034 shares. This shows that its holdings have been increased.

REBATE ANNOUNCED BY MASSEY-HARRIS

Will Apply on Note Payments Made up to Nov. 30, 1932

Massey-Harris Co. will grant a rebate of 10 per cent on all past, due, current and future maturing notes and will also put into effect a discount of 10 per cent on prices of all of its products. The 10 per cent cut is granted both to aid in collections and to enable farmers to buy necessary machinery to take advantage of the favorable seeding conditions this year. The rebate will apply on payments made prior to November 30, 1932.

At November 30, 1931, the company had bills and accounts receivable totalling $22,042,432 after reserves of $3,255,432 and before taking into account accrued interest amounting to approximately $2,000,000. A large proportion of this amount is due from farmers on purchase of equipment and the rebate on these debts will amount to approximately $2,000,000. Discount on new purchases will also apply to November 30.

Canoro Shareholders Face Loss of Property

At a private meeting of the principal shareholders of Canoro Gold-Copper Mines, held in Toronto, April 16, an unsuccessful attempt was made toward salvaging the company's property from the mortgage.

The present company was incorporated in 1928 as a reorganization of the Ostrom Gold Mines, owning a gold-copper prospect in the Boston Creek area, Ontario. It is claimed that approximately $225,000 has been spent to date on the property. A shaft has been sunk to a depth of 500 ft. and approximately 1,200 ft. of lateral work done on the 500 ft. level where the vein was lost due to faulting.

Directors and some of the larger shareholders advanced sums now totalling $47,000 including $13,000 back interest and took a mortgage on the property as security for these advances.

The meeting adjourned without any arrangements being consummated for the payment of the advances and it becomes apparent that the property will pass to the mortgagors.

The directors of the company include E. Sylvester, pres.; John Sinclair, vice-pres.; M. Welsch, Dr. W. S. Baird, Chas. Clark and T. R. W. Black.

Coast Copper Reports Inconclusive Year's Work

Coast Copper Co., controlled by Consolidated Mining & Smelting Co., reports that for the year ended December 31, very little underground development was performed. Work consisted of small extensions on the 800 ft. and 1,400 ft. levels. Diamond drilling is reported to have showed some rather definite mineralization, but nothing commercial over a mineable width, although under normal prices further investigation is reported as justified. Equipment in the lower levels was removed and the mine allowed to fill with water up to the 1,200 ft. horizon. The report says a road was built, with government assistance, around Kathleen Lake, joining up the mine with the Alice Lake section.

The financial statement shows current liabilities totalling $1,080,268, mostly owing to Consolidated Smelters on open accounts and current assets of $11,457. All the authorized capitalization consisting of $1,000,000 in $5 par value shares is outstanding. In addition, there are $750,000 in ten-year six per cent first mortgage debentures, due in 1926. Accrued interest on these past due debentures amounts to $457,850.

Index to Mining Stocks

The weighted index number of twenty mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 52.8 for the week ending April 14, as compared with 55.3 for the previous week.

Eleven gold stocks fell from 55.6 to 53.3, four gold-copper stocks from 59.6 to 56.2, and five silver and miscellaneous stocks from 20.0 to 18.8.

Bagamac Finds Ore

Shareholders of Bagamac Rouyn Mines are in receipt of official advice that an ore zone has been found under 22 ft. of over-burden. Channel samples over a width of two feet gave values ranging from 20 cents to $10.20 per ton in gold, at a point 2½ ft. under the surface rock. Plans now call for sinking a ten foot test pit to check up the samples taken.

METAL PRICES—
New York—April 19—
Copper: Electrolytic spot 5⅞ to 6c. lb.
London—April 19—
(Long Ton)—
Copper: Electrolytic spot, £34; future, £34.
Standard spot, £29 12s 6d; future, £30.
Tin: Spot, £106 17s 6d; future, £109.
Lead: Spot, £11 10s; future, £11 15s.
Zinc: Spot, £12 5s; future, £12 7s 6d.
Silver: 16 9-16d. per ounce.

March Gold Production Makes Record Quarter

Report By Ontario Department of Mines Shows Output is Being Maintained at High Level

The report of the Ontario Department of Mines for March shows that the gold output exceeded both January and February, but was slightly lower than two record months in 1931. A new quarterly record, however, was established.

The production for the first quarter was well in advance of the first quarter of 1931 and would have been considerably higher had it not been for the interrupted production at the McIntyre Porcupine mine, due to an electrical breakdown. The rate of production for the quarter was about five per cent in excess of the average gold output for the respective quarters of 1931.

The mines in order of output for March.

Porcupine (6) Hollinger, McIntyre, Dome, Coniaurum, Vipond and March.

Kirkland Lake (6) Lake Shore, Teck-Hughes, Wright-Hargreaves, Sylvanite, Kirkland Lake Gold, and Barry-Hollinger.

Northwestern Ontario (3) Howey, Parkhill and Minto.

Individual mines in order of output for March were: Lake Shore, Hollinger, Teck-Hughes, McIntyre, Dome, Wright-Hargreaves, Howey, Sylvanite, Coniaurum, Kirkland Lake Gold, Vipond, Parkhill, Minto, March, Barry-Hollinger.

MONTHLY OUTPUT OF ONTARIO GOLD MINES

Source and Period	1931 Ore milled tons	1931 Total Value $	1932 Ore milled tons	1932 Total Value $
Porcupine:				
January	252,324	1,572,676	274,095	1,571,971
February	230,733	1,608,239	258,797	1,676,673
March	253,553	1,580,468	259,218	1,822,986
Kirkland Lake:				
January	128,477	1,649,436	148,793	1,991,993
February	116,556	1,564,538	141,026	1,817,887
March	133,110	1,760,088	152,445	1,897,517
N.W. Ontario:				
January	13,432	66,920	26,469	118,744
February	13,109	55,445	25,509	108,406
March	15,392	61,682	25,096	127,132
Total:				
Monthly average	418,810	3,561,439	....	....
January	394,233	3,289,032	449,357	3,682,708
February	360,398	3,228,222	425,332	3,602,966
March	402,055	3,402,238	436,759	3,847,635

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